HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

THIRD SESSION—THIRTY-FOURTH PARLIAMENT

41 Elizabeth II

VOLUME VI, 1992

COMPRISING THE PERIOD FROM THE ELEVENTH DAY OF FEBRUARY, 1992
TO THE ELEVENTH DAY OF MARCH, 1992

INDEX ISSUED IN A SEPARATE VOLUME

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

Available from Canadian Communication Group — Publishing, Supply and Services Canada, Ottawa, Canada K1A 0S9.

HOUSE OF COMMONS

Tuesday, February 11, 1992

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to several petitions.

* * *

[*Translation*]

INTERNATIONAL ASSOCIATION OF FRENCH-SPEAKING PARLIAMENTARIANS

TABLING OF REPORT ON DRAFT EARTH CHARTER

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, I have the honour to present a report on behalf of the International Association of French-Speaking Parliamentarians. I was the delegate of its Committee on the Environment assigned last December to participate in drafting an earth charter proposal to be submitted at various levels including the Rio summit.

Therefore, I have the pleasure to present to the House, in both official languages, the report on this proposed earth charter.

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

PUBLIC SERVICE REFORM ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be read the second time and referred to Legislative Committee H; and the amendment of Mrs. Catterall (p. 6131).

The Acting Speaker (Mr. DeBlois): I want to point out to hon. members that there is a mistake in the Projected Order of Business. It indicates that there would be only 15 minutes remaining out of the five-hour period allocated. On checking we find that there are in fact 66 minutes left or, if you prefer, one hour and six minutes.

[*English*]

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, Bill C-26 will change the federal labour legislation and will affect most employees. It has been in effect for almost 25 years without any significant change and

everyone concerned agrees that it is time for new legislation that will provide for changing times and changing economic conditions as well.

After considerable discussion over the years the Prime Minister announced in 1989 that the government would be bringing this in as a major initiative. It took about a year to get the white paper on PS 2000 tabled. It was supposed to have come out of discussions between Treasury Board on the one side and the employees' organizations on the other. Treasury Board's spokespeople insisted that there had been real communication between the two, real discussions, real consultation, but the representatives of the employees unanimously said that there had not been any real communication, that there had not been any real discussion. They might have been talking one side to the other but no one was really listening. There was no real consultation, no real attempt to arrive at a common ground with respect to the major changes being made. This was perhaps one of the main concerns of the employee organizations.

Anyone who has been in public affairs, in the public eye, anyone who has been a member of Parliament in recent years, knows that there has been increasingly bad blood between the employees and the employers in the civil service. That has been evident. I suppose the hardest evidence we have had of that, of which the whole community became aware, was last year when there was the job action, when there was work stoppage, not total stoppage but significant work stoppage.

The evidence was there that the labour organizations themselves doubted whether they would be able to get their employees out on the picket line. There was real doubt within the labour organizations generally, not just within labour organizations representing government employees.

The government was confident, and I think this was obvious from the way they handled the situation at the time, confident that the labour organizations would fail to get any large number out on the picket lines. There were polls taken, there were votes taken and the votes in some areas were not very strong in favour of the strike, in other areas they were strong. In general, there was this real doubt within the labour movement itself and certainly the government was confident that the organizations could not get their workers out.

The fact is they did get them on the picket lines. Sure there were problems within the organizations but nevertheless there was widespread support for the work action taken. I submit that was excellent evidence there were problems between the employers and the employees, problems that have not been resolved to this time.

From what employee organizations had seen of PS 2000, the white paper, and from the discussions they have had, there was real doubt that any of the changes being suggested were going to improve the situation between workers and management.

That was what it was all about. That is what PS 2000 was supposed to achieve, an improvement in relations between the employees and the managers who were running the government service. The employee organizations doubted whether anything in this would improve employer–employee relations. If we do not do that, there is no point in going through this exercise at all.

There have been discussions since the legislation was introduced and there are still problems, but at least we are now contemplating the bill going to a legislative committee. In that venue, there will be an opportunity for the employer's and employees' representatives to sit down together and to bring to the attention of the public what the real concerns are on both sides. I am sure there are concerns on both sides although not very many on the part of managers since in the opinion of the employees, at least, the managers have achieved everything in this legislation that they could hope to achieve and have given up little to the workers.

If that feeling prevails, if there is not something changed as a result of the discussions or if there are no changes in the bill itself, then it is not going to bode well for the future and relations will not improve. The people who will suffer will not be just the employees but the people receiving the services that the employees are providing.

I said that members of Parliament are very much aware of the bad feeling because they hear constantly from people in their ridings who are having trouble getting what they feel is a reasonable level of service from public servants. The public servants themselves are not happy in what they are doing and some express that in the the way they deal with people who are coming in with their problems.

There are some problems that are dealt with and yet not dealt with in a way that make the employees any happier with what is being proposed. One of the main

things is this business of contracting out, where there is no consultation and no co-operation. The amount of contracting out is increasing. The employees suspect that it is increasing in part because the government wants to have control without having any arguments with the people who are involved in it.

• (1020)

In part, they feel that it is just simply being handed out to friends of government as a way of rewarding them for whatever. This is a concern. It is a concern expressed even by the Auditor General who raised the question as to whether or not the government is saving money with its contracting out. Indeed the Auditor General went so far as to say the government is not saving money. It is costing the government more to get the service it is getting by contracting out than it was costing previously, with its own public servants doing the work.

The government has been challenged time after time to produce some evidence of what is being saved. Treasury Board has said yes, it is saving money. There are no figures, nothing at all to go on. There is simply a statement to the effect that the government is saving money by contracting out.

If there was any evidence, one would think that the government would be very happy to table it, to publicize it and show where it is saving money. The fact is that the government has declined to do this. It has ignored every invitation to produce some evidence. It has ignored even the Auditor General's invitation to give evidence that it is saving money. As I say, I think the union's case is well supported by the lack of action from government in proving that contracting out is saving money.

This is continuing. Under the legislation before us, there is nothing to slow down that process at all. Certainly the government has said it will look after the employees. That is in the bill to some extent, and a spokesman from Treasury Board has said that this will be done. The employees will be looked after. They will be given job opportunities in other departments.

I suppose we saw some evidence of that last summer when the bill was in to move the National Energy Board from Ottawa to Calgary. There was quite a bit of negotiation between government and the employees of the energy board to make sure they had some opportunity to move with the board.

In the end, there were some who were not going to have jobs. They were going to be let go, and again the promise was held out that something would come up for them as soon as possible somewhere else.

That is just one small example of the kind of contracting out—that is not contracting out, that is another situation—and it is where the employees were going to be looked after. In the legislation and in the discussions they were told that government would look after those employees whose jobs have been done away with due to some contracting out process.

That is one of the problems that the organizations representing the workers is most concerned about, the fact that contracting out is handled in the total absence of any information as to why the government is doing it from a cost saving point of view, evidence that it is really working. Yet the government is going to proceed with it, pursue it and it is not going to discuss any of its actions with the employees.

That is one of the problems but there is another one. There are some union concerns about job reclassification. Once again, management is taking unto itself the authority to do as it sees fit with respect to reclassification. Once again, the union is having no input. It is not being consulted. The members are simply being told what is going to happen to them, when it is going to happen and that does not make for a happy work environment either.

I had occasion to visit the office of one of our major employers in Canada in the private sector. It is a public company operating in the private sector. They were giving me—I am going to be spending more time with them—a rundown on some of their activities and some of the ways in which they are working.

Right at the top of their list is an endeavour to make employees throughout that organization, over 100,000, feel that they are a part of it, that they are not just something that is used in the same way as materials coming in are being processed, but that they are really part of the team that is going to try to make that company successful.

That is what PS 2000 is supposed to be about. It was supposed to make government employees feel they were part of the process of serving the public. In making them feel they are part of it, in making them feel they are one of the partners in that process, they would be happy at

their work and their work would be done better, more efficiently. Of course the public in dealing with those people would also be happier that they were being treated more fairly.

This legislation has failed. Pay equity is something that is still talked about, and we have gone to court over it, but the legislation does not really do anything to say it is going to be any better in the future than it has been in the past.

If the legislation, PS 2000, the whole process, were supposed to make conditions better between workers and management, it has failed. Unless the organizations representing the workers believe that a real attempt is being made to do this, to accomplish this, unless they believe they are really being involved in the process of deciding what is going to happen then it is not going to work.

I fear we may see more of the kind of job action that we saw last summer, which did nothing to improve relations; indeed it made relations that much more difficult.

PS 2000 once again will be a total waste, a waste of effort, a waste on our part of passing the legislation if it is not going to achieve the co-operation and the good will it was supposed to achieve. If the process before the legislative committee does not meet with success—and I sincerely hope that it will for the sake of all concerned—then it would seem to me that it would be better not to make the changes we are contemplating simply because we have gone this far down the road and we should proceed. That is not good enough.

If we do not come out of the legislative committee with an agreement on all parts—that is the members of the committee themselves and the witnesses who have appeared there from Treasury Board and from the various organizations representing workers—if we do not come out of there feeling that we have achieved something worth while, it is better to leave it the way it is and try again to see if we can come up with something that is going to serve government and Treasury Board, that will treat the workers fairly and make them believe they really are partners in the process. Then in the end all of us together will have served the public better by having produced something that is going to improve the level of service offered by government employees to members of the public generally and make them feel that their government is working on their behalf rather than simply taking advantage of the present system where it has the votes, the control, can pass any legislation it wants and do whatever it wants with respect to the workers until such time as there is a change in government, to which I think almost all of us are looking forward.

It could be better. It should be better. Twenty-five years is a long time for the same process to remain in effect. I believe out of this process something good could happen. It will be up to the members of that legislative committee to listen to all the witnesses, to hear what they are really saying, and to come up with something better than the legislation before us, legislation that will be acceptable to Treasury Board but legislation that the worker organizations will believe they have been able to change in the interests of employees and the public generally.

The committee will work. The committee will produce something. It is in its hands whether what it produces is something better than what we have right now or whether the committee has failed.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I will be very brief in my question. The member talked about this opting out process or this contracting out process and how it affects the morale of the Public Service.

• (1030)

I would like to suggest to members that it does not work in an economic sense or efficiency sense. In Toronto we have several examples where the constriction of the Public Service has caused an incredible backlog in processing, specifically the refugee cases in our community. What we have experienced is that the service has broken down because public servants just cannot manage the load. The delay in processing refugees has created a backlog of close to 50,000 people. There has been a drain on our social services in the city of Toronto. Health care in the last year, just in the greater metropolitan area of Toronto alone, has cost the treasury close to three billion additional dollars.

All governments are really concerned about deficit and debt. This contracting out process is contradictory to the objective. It is done in the name of streamlining and

efficiency but in fact a more bungled situation has been created than one could ever imagine.

There is another thing I would like to suggest to the member. Quite often a lot of this contracting out is not as efficient as the people who do the job within the Public Service. I notice the Minister of Supply and Services is sitting in the House today. He runs an organization that works on revenue dependency. I am sure he would bear witness to the fact that he has within his realm of responsibility public servants who frequently, week in week out, month in month out, do work that is as efficient if not more efficient than contracting out. If it were not that way, why would the minister be in the business of printing? Obviously the Government of Canada must be doing his printing more efficiently.

My question to the member is: Does he not think that the government endangers not only efficiency but is in danger of adding to the national debt because of this motivated gesture of cutting back public servants?

Mr. Stupich: Mr. Speaker, in the PS 2000 hearings there were examples given exactly in line with what the member was saying, examples of work that was done by outside contractors. Of course they were not familiar with the work and the work had to be redone by government employees at greater cost to correct the mess. In fact there was additional cost in that the contractor was involved as well.

One example is weather reports that were being prepared by the government service for the city of Calgary and for the Minister of Transport. The government said: "You cannot provide this service to the city of Calgary. You have to stop it". The city had to employ some outside outfit to do it. The bill was ten times the $600 per month it was originally costing. Then the Ministry of Transport decided to use the same service. I can only suspect that it too is paying ten times what it was paying for the work that was being done within the Public Service.

There are many examples like that represented. The Auditor General himself raised the question and suggested that the government was not getting value for money in contracting out.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Resuming debate. The hon. member for Bourassa.

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, first of all, I would like to thank you for this opportunity to express my support for Bill C-26, the Public Service Reform Act.

The federal Public Service is one of the cornerstones of our parliamentary democracy. It advises members of Cabinet on policies and programs, offers Canadians a wide range of programs and services, represents the country's interests abroad and protects our sovereignty at home. It is an important national institution. Its operations are critical to the administration of this country and to our ability to settle constitutional matters and meet the challenges of a global economy. In other words, it is indispensable to the kind of country we live in.

The last amendment to the current legislation on the Public Service goes back 25 years. As we all know, things have changed considerably since that time, and we have witnessed a kind of cultural revolution in the management of people. Our concepts of leadership and authority are no longer the same. The level of education of employees has increased, and participatory management, training and development have replaced time and motion studies and what used to be called time cards. Advances in computer science have reduced both geographical and hierarchical distances between employees.

The federal Public Service, like private organizations, has been reacting to these changes for some time. It is restructuring, reducing the number of management levels, downsizing and becoming increasingly result-oriented. Public Service 2000, lauched two years ago, has given new vigour to actions that were already under way. Ten task forces were asked to suggest ways of making specific areas more cost efficient and more effective. Proposals covered over 300 areas in need of reform.

The reports and the feedback they generated were tabled in a white paper in this House more than a year ago by the President of the Treasury Board. Where legislative changes were not required, many administrative reforms have already been put in place.

Bill C-26, the Public Service Reform Act before the House today, is one more step towards making the Public Service capable of meeting the challenges of the twenty-first century. The bill provides for amendments to the Public Service Employment Act, the Public Service Staff Relations Act, the Surplus Crown Assets Act and the Financial Administration Act. These amendments will make the Public Service more flexible, more efficient and better equipped to focus its efforts on serving the Canadian public.

These amendments are not intended as a thorough reform of the legislation I just mentioned. They are aimed at simplifying and updating certain provisions which, according to the government, should be changed because they are outdated and no longer serve a useful purpose in productive management of Public Service resources.

Perhaps I might explain very briefly the nature of these amendments. First of all, the proposed amendments to the Public Service Employment Act would simplify staffing while ensuring that measures to protect against abuse as well as measures for effective redress are maintained. In some cases these measures would be enhanced. Bill C-26 would confirm the mandate of the Public Service Commission to uphold the merit principle and provide reliable mechanisms for protecting the staffing system against political and bureaucratic favouritism.

It would contain a new provision on transfers which would make it easier for departments to assign employees to other positions at the same level. This provision would increase opportunities for public servants to acquire new skills and work experience. The proposed amendments would provide protection against abuse and, more specifically, ensure independent review by a third party. Managers would have less trouble filling positions, since the bill would contain provisions concerning probation and security classifications.

The present legislation's provisions for demotion and release would be consolidated and transferred to the Financial Administration Act. A common system of redress would be available under the Public Service Staff Relations Act.

• (1040)

The amendments to the Public Service Staff Relations Act would modernize the rules governing collective bargaining, increase the number of dispute settlement mechanisms and considerably simplify job classification in the Public Service.

Employment equity groups would benefit from the bill's provisions. As a national institution, the federal Public Service must reflect the diversity of the people that it serves. The bill would expressly provide for employment equity programs. It would specify the role of the Public Service Commission and Treasury Board Secretariat in this regard.

The bill would make it easier for departments to meet unexpected workloads and respond to seasonal and short-term fluctuations. It would be easier to hire casual employees for periods up to three months and it would be possible to extend their appointment for three months.

The amendments to the Public Service Staff Relations Act would recognize the right to free collective bargaining and public servants' right to strike. Reducing the number of occupational groups, which is now 71, could simplify collective bargaining considerably. The number of levels within these groups is also to be reduced.

Bill C-26 temporarily establishes legislative authority to extend this reduction for a six-year period during which union affiliations would be respected. It is estimated that about 100,000 classification actions are taken every year.

The proposal seeks to extend the scope of dispute settlement methods. Arbitration boards are to be selected in the same way as conciliation boards and the parties would be allowed to appoint members to such boards and extend their advisory role so that they can look into a broader range of issues.

Furthermore, the Public Service Staff Relations Board would be given a greater choice of dispute settlement mechanisms. Bargaining units could submit all their outstanding issues to binding arbitration.

Finally, pursuant to the proposed amendments to the Surplus Crown Assets Act, departments could dispose directly of their surplus assets or have Supply and Services Canada do so for them. They would receive the proceeds of the disposal, which they could spend as they saw fit. These amendments should improve the management of surpluses, increase revenue and especially reduce the cost of storing and handling surplus goods.

Mr. Speaker, I ask hon. members to support speedy passage of this bill. With these major reforms to the way

the Public Service is run, our administration could continue to be considered one of the best in the world.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I salute my colleague for a well delivered speech. She touched on a lot of points that I agree with. One specific thing that she referred to in her speech which I am not concerned about is political patronage. Very few people in this country understand that political patronage is practically non-existent in this country. It is a myth. Most Canadians think it is the politicians who decide who will fill most of the senior positions in the Government of Canada and in the Crown corporations. That is a myth.

My concern is the real patronage that exists in the Government of Canada, the bureaucratic patronage. This is one thing I remember from 1980 to 1984 when I worked across the street in the Langevin Block with Mr. Trudeau. People used to accuse us all the time of political patronage. I could not believe how wrong those accusations were. Really, the bureaucrats had more of a patronage operation than anyone could ever have imagined. In her speech the member said that this bill is going to minimize, improve or reduce a lot of that bureaucratic patronage. I wonder if the member can explain how she feels this bill will do that. If such is the case, it is an aspect of this bill that I would personally support.

[*Translation*]

Mrs. Gibeau: I would like to thank my colleague for his question which, as usual, is a very practical question and is not tinged with partisanship.

The objective and the spirit of the reform proposed in this legislation is to give back to bureaucrats and civil servants the power to make decisions and their pride in being public servants. I would almost say that our government, our system, has the best methods in North America, if not the western world, for choosing the most qualified people. We have wonderful tools, tests and procedures for selecting the best person. Unfortunately, some of our administrative policies meant that those qualified people, once they had been selected, were subject to arbitrary processes that kept them from using their skills. Through the more relaxed and simplified measures that we want to implement with the bill we are presenting today, we want to eliminate the red tape and enable those people to fully use their skills and not be subjected once again to old bureaucratic laws that go back 25 years. Of course, these laws were amended over the years, with new clauses, measures, conditions, et cetera, but they always made it possible for someone to beat the system. The object of this initiative is to give back to people the responsibilities and authority that go with their level. That is the first objective.

The second objective is certainly to make decisions on collective bargaining, the selection process and customer service more open. Once again, as we were saying earlier, the objective is not to satisfy the needs of the government, nor is it to satisfy the needs of the union or the public service. The objective is to make sure that our citizens, our constituents, do not have to go from one department to another and put up with undue frustrations because the system is too cumbersome. I personally experienced those frustrations when I was elected to the House of Commons and saw how cumbersome and hard to penetrate the government administration is, because it is complicated and there are little empires. For instance, in many departments, a small group looks after women, another one looks after native people, and yet another one looks after the disabled. We could certainly together with the Public Service—because there are also bright people there who know how the system could be improved—ensure that our constituents, citizens and the Canadian people are provided with top-quality services.

In some countries, it is an honour to be part of the public service. Unfortunately here in Canada there is too often a tendency, not to ridicule civil servants, but not to give them their due recognition because of the bureaucratic system. That is exactly what Bill C-26, which is tabled today, is about. I thank the member for the question.

[*English*]

Mr. Mills: I thank the member for that answer. I think she has hit upon something very important here. The principle is correct, but I am not sure that there is a mechanism to check to see whether or not the principle of fairness is going to be implemented.

Two months ago when we were dealing with the Bank Act in this House of Commons, someone on the floor of the House, I believe it was a Liberal amendment, put forward an idea.

• (1050)

It put forward the idea that if a consumer did not feel that he or she was being treated fairly by a banker, a complaint could be made to the Superintendent of Financial Institutions.

If the complaint was found to be worthy, to be true, then that complaint would go on the annual report of the Superintendent of Financial Institutions to the House of Commons. This was an accountability measure to make sure that banks were not just treating people within their own power and within their own bureaucracy.

I would like to suggest to the hon. member that as we are refining this bill, maybe there could be some kind of an appeal mechanism not unlike the one we have put into the Bank Act.

For example, suppose I were to apply for a job and I felt I had the competence to get that job. But I did not get the job plainly because of bureaucratic patronage. Obviously I would have substantive reasons to believe that.

Would it not be a good thing to make sure that there were some kind of an appeal court for public servants if they felt the reason they did not get a job was because of bureaucratic patronage?

[*Translation*]

Mrs. Gibeau: Mr. Speaker, I want to thank the hon. member for his question and for this opportunity to provide him with an answer I am sure he will be pleased to hear because it is yes, such a mechanism is indeed provided for.

Some of the proposed amendments to the Public Service Employment Act would offer a measure of protection against abuse, for instance an independent review by a third party. Thus, people who feel they have been wronged would have access to a mechanism which is mentioned in writing, defined and explained in the proposals that have been put forward.

This in no way limits the responsibility and accountability of the employer and the managers. The checks and balances system is still being applied. The spirit in which this legislation was introduced by government is to let it be known that our civil servants, our managers are competent. Generally speaking, in principle, our people are competent and there is no abuse. However, if someone feels there is abuse, mechanisms are provided to deal with this.

[*English*]

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, I want to address very briefly this piece of legislation that, in my view, has tremendous implications for how the services of the Government of Canada are delivered and how people interact with their government through the bureaucracy.

Let me say at the very outset, Mr. Speaker, that I totally agree that this bill should be referred to committee, as has been proposed by many speakers to your left.

We believe that the implications, the ramifications of this bill, are such that we understand that many people will want to have some input, including of course people in the Public Service, but most of all I believe people outside of the Public Service.

I have just come from the Standing Committee on Public Accounts where the Government of Canada explains to various departments how more than $100 billion is spent.

The biggest problem that we face in public accounts is the complexity of the material provided to us that is allegedly designed to provide information not only to members of the House of Commons and to Parliament generally, but also to the people of Canada.

If we are going to seriously consider changing the way in which the federal Public Service functions in terms of, for example, accountability, giving more flexibility to managers, being able to deal with issues at various levels, being able to provide more direct service to taxpayers and to clients of various departments, then we are going to have to at the same time address how we are able to account to the people of Canada for the money that is spent. I think we are a long way from that and that is why a special committee of Parliament should be struck to review this entire concept. It would be very simple.

I know a number of colleagues have already addressed the question of morale in the Public Service. We are in a post-strike situation where there are still many, many problems to be resolved within the Public Service, public

servants' relationships with senior department officials, with management people, and even among themselves.

I do not want to get into that because we are serious in suggesting that this bill should be referred to a special committee of the House. This would allow people to come before us and express their views on the whole gamut of subjects.

For example, many people are concerned with contracting out. Should there be less? Should there be more? How should efficiency of contracting out be measured? What is the basis on which members of the Public Service should be promoted? Should it be automatic? Should it be just a question of sitting around long enough to qualify for a promotion? Should merit increases be automatic? There are so many questions that should be put.

I believe that part of our problem in this place is that we suggest that there should be consultation and there should be reference, there should be an opportunity for input. Then we go ahead and tell everybody what should be done.

In a bill of this magnitude, with the kind of impact it will have, even the terminology used, the year 2000, all of that lends itself to supporting our position that the bill should be referred to committee.

There should be sufficient opportunity for Canadians. There is a tremendous concern about whether or not Canadian taxpayers are getting the best possible return on their tax dollar.

Is efficiency a priority, not just part of a system of becoming more efficient, but is it the priority? What does efficiency mean in the Public Service? Does it mean turning around letters of enquiry dealing with income tax or GST or Canada Pension Plan or is it dealing with the problem that is raised in the letter?

How are we going to cope with the tremendous changes in technology? What is going to be the impact of having the technology that will allow people all over Canada to work in the Public Service?

I know that my friends in Ottawa rightfully repeat quite often that there are Public Service personnel throughout the country, but there are more in some regions of the country than in others.

In Atlantic Canada, for example, we have public servants but they do not get paid the same as public servants in other parts of the country, in some instances because there is a regional pay system.

There are so many questions. They are legitimate questions and they come from all sectors. Surely members of the Public Service have a right to significant input on changes that will directly affect them and their families, their futures, their careers, their rates of pay and their responsibilities.

Why would we wish to proceed with a bill that has really not garnered very much support from any of the important sectors that are involved on a day-to-day basis with the kinds of situations the bill gives rise to, but also in terms of how the public perceives it?

We are going through a recession. We are dealing with the Constitution. Very few Canadians, other than when the strike occurred, on a day-to-day basis think about what the Public Service is doing in this country unless they have had an experience, good or bad, with someone in the Public Service in trying to get some answers or to get some help and avail themselves of the kinds of facilities available through the Public Service.

I want to take just a couple of moments to address an area that is a specific concern of mine. That is, regardless of how this reform comes out I hope it will be after it has been scrutinized by a special committee that provides for a great amount of latitude from the people who come before it to express their point of view. Regardless of how we arrive at the end result, we have to have enhanced accountability in every sense of the word.

• (1100)

Canadians are frustrated with the system. We as members of Parliament are very often the lightning rod for that frustration. People look at us and suggest that we are not able to perform adequately, that we are not efficient and that we are not getting the kinds of programs in place that are required in this country.

As much as that is valid and as much as we must say *mea culpa* and that we take our own responsibilities, I think it goes far beyond that. Many Canadians are questioning the system: the role of the member of Parliament, the role of the Senate certainly, the role of provincial politicians, the role of municipal politicians. All of us are suffering from the cynicism and again, as I

admit candidly, much of it well deserved, but the system is far greater. Ask any woman or man who has sat in this place and who is now gone from this place. I think Pierre Elliott Trudeau put it very well: "Don't get too far off the Hill and you become a nobody. Perhaps when you are back in your constituency a few people may recognize you".

Ask the people who have passed through this place what they have contributed, how they have performed, how efficient they were, what kind of impact they had on policy. Many people are constituency politicians. There are all kinds of ways of assessing them. We go through an assessment, and we like to go through the assessment, I might point out, every four years. I am told that tradition will change and that we might have to wait five years. I will let Canadians address that question.

The cynicism and the frustration that is directed toward the system also includes, and we have to be honest about this, a feeling that the Public Service of Canada perhaps is not as efficient as it should be. There is the question of contracting out, all of the frustration that was generated, for example, during the strike. We all remember how people were responding to situations that had a direct affect on them. Other than that, perhaps people were relatively apathetic. However, when people were in lines, could not get into airports, could not get passports, could not get various programs approved or applications and so forth, there was a high degree of frustration.

We might think that is gone, but I think it is in the best interest of the Public Service to have a thorough look at what we are proposing. That is why I want to emphasize accountability. If we are going to be accountable as politicians and if we are going to pay the price every four or five years, whatever the case might be, that is one thing. In the Public Service there needs to be accountability. That is going to become very difficult if we look at how the proposals in this legislation allow for decision-making to take place. Are we going to have a more rapid response to problems? Are we going to deal at regional levels and even local levels with specific problems, or are we going to have a greater attempt to make sure that accountability is taken care of, in other words that we cover any decision we make very thoroughly to make sure no one is left out to swing in the wind. I think that is a legitimate concern on the part of public servants, to find out what the decision-making process being proposed implies and what kind of responsibility will rest with the person making the decision.

The public servant has a stake in this, but the Canadian people also have a stake in it. Is it going to be more efficient or are we going to have more people trying to make certain that at some point in time they are not found to be responsible for an incorrect, improper decision or a decision that had very bad results?

These are the questions that I believe must be addressed because of the notion of accountability. The accountability aspect of everything we do now in public life is critical. We must understand that Canadians are insisting that politicians and public servants be accountable and that the system of accountability be as transparent as possible. The best example of that is in Public Accounts where people are far more concerned with the expenditure of $100,000, $200,000 or $1 million than they are with the expenditure of a billion dollars, because the system confounds them when they look at the larger issue. They are unable to deal with it adequately.

I was told yesterday by an individual with whom I was discussing this problem that it is common currency in the senior levels of the Public Service to suggest that part III of the Estimates, for example, which deals with a lot of the details as to how money is spent in this country, is not being used by parliamentarians. There is a tremendous expense in generating this information. Departments work for weeks and months at putting together the information that flows through that process and eventually comes out in a series of books that would fill a counter 10 to 12 feet long. The sad fact is that that senior public servant is right. They are not being used.

Are they not being used because parliamentarians and the Canadian public do not want to use them, or are they so complex and difficult to deal with that no one has the expertise or very few people have the expertise to use them?

The question that will have to be asked at some point by parliamentarians is: Is the production of this information by the bureaucracy and by government designed to inform Parliament and the public, or is the exercise designed to fulfil the necessity for disclosure?

In my view of the world, disclosure does not equate with information. People can disclose, for example, how to build a nuclear weapon. That does not mean that I can build it. The information is not something that I can digest or transpose into concrete acts.

What we are dealing with in my view is a system that purports to be accountable, that legislatively is supposed to be accountable, but that in fact spends a great deal of its time making decisions that no one can really track down in terms of being able to tag accountability on to an individual.

We all know that our tradition in this place rests on ministerial accountability. If anybody believes that that still holds true today except in the most blatant of cases where ministers are completely out of line, they are being very naive.

The most experienced people in government now make sure that every avenue is covered so that no matter what happens no one individually is accountable.

If we are to look at legislation like this, which is going to put people in a position where they can make decisions at local and regional levels in a very different way from what is being done now, are we going to make the system more useful to Canadians, or are we just going to create a system where a lot more people have to make sure they can cover their tracks?

I hope that accountability of people in the Public Service and transparency in making sure that people understand what is being done will be key points that will be reviewed when this legislation is referred to a special committee.

The stakes are very high. This country has a lot of good men and women in the Public Service. We need to make sure that we reassure them as to exactly what the rules are. What are they going to be expected to do? Is it going to be a pass the buck system? Is it going to be a cover every avenue system? Is it going to be a system where people are given opportunities to make decisions?

We stand behind them when they make the decisions because they know the parameters under which they are functioning when those decisions are made.

The initiative is a laudable one, to move our Public Service into the 21st century. Certainly Canadians want people to be able to make decisions. We have too much government, layer over layer of government from the municipal level to the provincial level to the federal level. We have all kinds of special agencies, review boards and all the rest of it.

Surely the objective is not to make life more complicated for the public servant or for the public. I do not think the government has gone far enough in making sure it has consulted widely enough, that there has been sufficient opportunity for discussion, debate and input.

That is why I recommend strongly to the government that it accept our recommendation that this bill not be considered at this time, that it be referred to a special committee, and that that committee make every effort to function in a way that will restore confidence in the Public Service on the part of the Canadian public. At a time when morale is suffering in the Public Service, the men and women in our Public Service should be provided with the confidence required to do their jobs properly. They should know what is expected of them and how the system is going to work. They should have had a say in how it is going to evolve and feel relatively comfortable with what is finally proposed.

In closing, may I say that most Canadians have the highest respect for the people who work in our Public Service. In northern New Brunswick we have a government office in Bathurst, in my constituency, that deals with matters across the country. It was decentralized in the 1970s. It has hundreds of public servants who do magnificent work. I know that because I deal with them directly. Northern New Brunswick suffers from very high unemployment. The people in the Canada Employment and Immigration complex in Bathurst exemplify in my view so much of what is good in the Canadian Public Service.

• (1110)

Most of the employees are bilingual. My constituency is bilingual. They function internally in both official languages of Canada. They provide services in both official languages of Canada. They provide services in an area where the client base is oftentimes frustrated and unhappy with its lot, and rightfully so.

I want to emphasize that no one is seeking to delay because we are not sure how we want to deal with the bill. What we are saying is that it is absolutely essential that public servants have their say about working conditions, about responsibility, and about accountability. They should have their say, as I mentioned, in the face of technological advances that are being made month by month, technological advances that will change the way they work, will often change where they work, will

certainly change the way Canadians get information from the Government of Canada.

I do hope, if we are able to bring the government to our point of view, that this bill be referred and that Canadians, some of whom all too often are too quick to criticize, will come forward with constructive suggestions as to how together we can all improve the way taxpayers' dollars are used to employ men and women who provide the services that government is committed to giving to the Canadian people.

My colleagues and I will not be supporting further consideration of this bill. I do hope that we will be able to agree on referring it to a special committee as has been raised by so many of my colleagues during this debate.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have a short question for my colleague who has been a member not only of this House but of the legislature of the province of New Brunswick for many years and a former minister of fisheries in that legislature.

My question has to do with the process of accountability. I would like to be specific. In Pearson International Airport in Toronto we receive people virtually 16 to 18 hours a day. They come to the city of Toronto and other related cities throughout the Niagara horseshoe area for tourism opportunities. They also come to look for business opportunities, to invest. They come to review opportunities and to hold trade shows which will result in further exposure for people from all over the world.

One of the biggest complaints we receive is at the point of entry where quite often people will wait sometimes as much as an hour to be processed because of the length of queues at the customs entry point. I realize there are other parts of the world a lot worse than Toronto.

In terms of process and accountability it would seem to me that would be an area where the Government of Canada might be a little penny wise and pound foolish. In other words, it might ask: "What does an extra hour wait mean for somebody coming to this city to invest $100 million or to bring a trade show that might bring with it 4,000 or 5,000 tourism delegates?" A lot of people walk away from our city or first enter our city with not quite the right taste. I am talking about Toronto now, but I believe it happens in other cities throughout Canada as well.

In the process of accountability how does the member think we should address specific problems like that one to make sure they do not continue? We hear enough complaints from our constituents, but sometimes I think we get bogged down in this House in our ability to solve those problems. I would appreciate the hon. member's views.

Mr. Young (Acadie—Bathurst): Mr. Speaker, I think all public servants working in Canada, whether it is at an airport, processing income tax returns or dealing with war veterans problems, only want one thing. They do not want to bear the brunt of decisions beyond their responsibility.

I agree that customs officers throughout this country, not only those dealing with duty and that type of thing, but those working in immigration and those who have a dual responsibility depending on where they work in the country, can face very difficult situations. They are doing what they can.

The decision to staff areas is obviously made somewhere else. All too often the people in the firing line are those who have the least to say about how their particular responsibility is going to be carried out. I sympathize with those public servants who find themselves in very awkward positions through no fault of their own. They are working as efficiently as they can. They are dealing with the problems presented to them by individuals looking to enter the country or people looking to deal with customs requirements. Surely the accountability has to be with senior management, and this is where the transparency aspect comes into it to some extent.

We cannot demand services, and I think taxpayers are aware of this, without knowing what the cost will be and what the benefits will be. I think this is the point my colleague from Broadview—Greenwood was making. It is not just a question of the overhead cost or the fixed cost. It is also a question of what benefits can be gained or lost by efficient, appropriate use of our resources. When we review the proposal put forward by the government in this legislation, we need to be able to devise a scheme and a system where we can much better determine productivity, decide what is in the best inter-

est of the public servant, the best interest of the client, and what is best for the country.

It is not an easy task but certainly the accountability level has to be identified. It should not be left to people who have very little input into the decision-making process to bear the burden of whether it is cutbacks, financial restraint, improper staffing, or a lack of capacity to explain exactly why delays take place.

I sympathize with my colleague. I do not think we have as yet understood the need to be conscious of evaluating the benefits of what we do with our human and financial resources.

Mr. John Manley (Ottawa South): Mr. Speaker, I would like to raise with my colleague from Acadie—Bathurst a question concerning accountability in the Public Service. Michael Binder wrote an article for the magazine *Optimum*, a management magazine published by Supply and Services, in which he said this very interesting quotation:

> One is tempted to ask, "What's the problem? Fundamentally, the problem is this: We are overmanaged and underled."
>
> We rely on rules and regulations, systems and procedures, rather than on our people—our managers and leaders.
>
> And, in spite of stacks of volumes of directives and procedures: accountabilities in the system are still confusing (as a look at the responsibilities of any deputy minister quickly shows); we expect our managers to administer millions of dollars, but barely trust them with taxi chits—authorities are not commensurate with responsibilities; our process of allocating resources is still, by and large, incremental, arbitrary, and definitely not based on scientific analysis of needs or effectiveness; and recent surveys by the Auditor General and Dr. David Zussman of the University of Ottawa, revealed a level of frustration on the part of managers, a weakening of the sense of belonging, and a loss of pride. Managers feel profoundly that there is not a great deal of interest in telling them what is really going on, and they are far from where the action is.

• (1120)

In light of a number of recent developments, including the breakdown of the traditions of ministerial responsibility we saw demonstrated most recently in the Al-Mashat affair, these comments by Mr. Michael Binder are quite apropos. I wonder whether the member would be willing to comment on that.

Mr. Young (Acadie—Bathurst): Mr. Speaker, it is fundamental to our system that the actions of public servants be defended by their superiors where those actions or conducts are compatible and follow the procedures that are put in place. This is the kind of thing that has to be addressed when this legislation is reviewed.

I refer to the quotation that was put forward by my colleague on clarity. People want to know what is expected of them. They want to know what kind of latitude and flexibility is available to them. Flexibility is one of the words being used in promoting PS 2000. This bill reflects that. But what does it mean? Does it mean flexibility to achieve or flexibility to avoid?

Unfortunately there has been a magnification of certain abuses. In any system or in any human activity there are bound to be examples of abuse, waste, or whatever. These are the kinds of things that are highlighted and to which the public responds, whereas, as my colleague has put it, most public servants as well as most employees in the private sector do their jobs and do them as well as they can. We need clarity, transparency and rules. People need to know what is expected of them. When they do what is expected of them and they perform their duties within the parameters set by management they should be defended.

The Al-Mashat affair is just a symptom of people not knowing whether they will be defended. Are they doing the right thing? Should they be covering themselves as opposed to doing something, making a decision and taking risks? It is difficult to define every possibility.

Surely that is the objective, however. We look forward to a special committee of the House dealing with these issues and hearing from the people both in the public and private sectors who will be directly affected by this type of legislation.

The Acting Speaker (Mr. DeBlois): Before giving the floor to the next speaker, it is my duty to inform the House that the first five hours of debate have now expired. The length of the speeches is now 10 minutes, without a question and comment period.

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, it was almost 25 years ago, in 1967, that federal Public Service employees in Canada received the right to free collective bargaining together with the right to strike in support of that negotiating process.

It is significant that today, 25 years later, we are introducing the PS 2000 initiative which includes a series of steps and actions to modernize the application of our complex system of Public Service staff relations throughout our federal government administration.

I would like to address the dispute resolution improvements which are contained in the Public Service Reform Act, the proposed legislation in the form of Bill C-26 which is now before us.

This legislation has several provisions which will facilitate the resolution of disputes arising during the course of collective bargaining in the Public Service. As well the bill contains expanded provisions for resolving rights disputes. Those are the kinds of disputable obligations which arise out of a collective agreement or out of arbitration awards.

The intent of labour relation recommendations in the PS 2000 white paper has been to improve the government's relationship as an employer with Public Service unions. The main way to achieve this is to create greater flexibility in the dispute resolution process. We believe that the elimination or the modification of overly rigid, inflexible rules and procedures will enable the parties to work out their differences in a much more constructive manner.

Over the years it has become apparent that the current limitations on the scope of arbitration, coupled with the inability of each party to choose its nominee, has made the arbitration route unattractive to some unions. Arbitration awards are currently limited to such matters as rates of pay, hours of work, leave, standards of discipline, and so on. This has acted as a disincentive to choose arbitration over the conciliation or strike route.

The government therefore proposes to amend the Public Service Staff Relations Act to increase the scope of arbitration to cover all matters which are now the subject for conciliation.

Another proposed improvement to the current system would permit each party to choose its nominee for an arbitration board. Only where the parties cannot agree will the Public Service Staff Relations Board be authorized to appoint the members of an arbitration board.

Amendments to the Public Service Staff Relations Act are proposed to provide, where the parties so agree, a single arbiter who can be appointed instead of a full arbitration board. Another avenue has been opened to provide greater flexibility in conflict resolution. In other jurisdictions the parties are permitted to refer bargaining issues to a single conciliator instead of to a full conciliation board. The bill proposes that where the parties jointly nominate a conciliation commissioner, the PSSRB will be required to appoint that person.

There is always room for new approaches to resolve collective bargaining disputes. The PS 2000 white paper proposed the introduction of a new method designed to keep open the possibility of agreement before the positions of the parties became so entrenched that the only recourse would end in a less than perfect solution.

Bill C-26 before us provides for a voluntary choice for the parties to select a fact finder. The fact finder would define the points in dispute and make non-binding recommendations. However these recommendations would be made public early on in the collective bargaining process before the position of either side became too entrenched. After the appointment of the fact finder the parties would continue to negotiate. They would know, however, that a third party's views on certain questions would eventually be made public and they would be disciplined in their negotiations to consider that reality.

Bill C-26 incorporates another method to help in resolving disputes between the government of the day and public servants. As the law now stands, unions that have agreed to take the conciliation-strike route have no choice but to follow this route with respect to the resolution of all issues. Bill C-26 will open up a new option. The parties by mutual agreement will be able to refer any or all issues in dispute to a form of binding arbitration.

This means that outstanding issues could be referred to a third party for decision early on in the negotiation process so that everything is not on the table at the end of the day. This clears the way for the parties to deal with

other issues and perhaps to reach agreements on separate elements of the package one at a time. This provision is called an alternative dispute resolution and will provide greater flexibility to find solutions to problems.

I am sure members of this House will be concerned about what is termed "essential employees" who carry out duties that must be continued during a strike because they are necessary, essential and in the interests of the safety or the security of the public.

Bill C-26 gives effect to the white paper recommendations that the Public Service Staff Relations Act be amended to provide an independent mechanism to resolve disputes about the designation of positions. These amendments are modelled after the provisions of the memorandum of understanding between Treasury Board and the Public Service Alliance of Canada which was signed on August 7, 1990. Both parties found this arrangement to be entirely satisfactory. The process is designed to have designated positions determined in advance of a round of collective bargaining. This removes the contentious nature of issues, particularly of this issue of designation, from the bargaining context and enhances the smooth operation of the dispute resolution mechanisms available to the parties.

The proposed amendments to the PSSRA do not deal only with collective bargaining rules. They also improve the rights of individual employees. Under the current system the predominant practice has been for the Public Service Staff Relations Board to designate its members as adjudicators. Bill C-26 would permit the parties to select adjudicators of their own choosing, providing a greater flexibility to the parties.

• (1130)

Bill C-26 also provides for the consolidation of employee redress with respect to all cases of termination of employment that do not remain under the PSEA. This means that employees will be able to grieve a management decision to terminate their employment through the full grievance process to third party adjudication.

Many unions have demanded that so-called policy grievances be subject to review by the Public Service Staff Relations Board. We are concerned that this could work to the disadvantage of the effectiveness of the grievance process. Therefore Bill C-26 proposes a compromise. When both parties agree, a matter relating to the interpretation of a collective agreement which could be the subject of an individual employee grievance to the PSSRB can now be referred directly to the board.

Bill C-26 also proposes other amendments which will enhance the smooth operation of the collective bargaining system. Of particular note is the provision which provides for a basis for master bargaining. When the parties agree, negotiations can proceed to conclude a single collective agreement which is binding on more than one bargaining unit. This is not a new provision but is an important one because it supports the current practice which reduces the probability of conflict.

In closing I would like to mention another provision about the collective bargaining process which concerns the period of notice to bargain. Bill C-26 improves this provision by 50 per cent by stretching it from two months to a three-month notice period which will permit the parties to commence the bargaining process earlier and will enhance the deliberate objective and prepared approach to the entire labour negotiation system.

These new provisions to improve the scope and the capacity for both the government and the Public Service to conduct the bargaining process and to resolve disputes are welcome changes in federal government administration. They will help to set new standards of expeditious and efficient collective negotiation and should significantly reduce levels of conflict and occasions of confrontation. Such results will most certainly contribute to improving staff relations and morale and ultimately to improving service to our common constituents, the citizens of Canada.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I am pleased to speak on Bill C-26, an act to amend the Public Service Employment Act and the Public Service Staff Relations Act. It is obvious to all of us, whether parliamentarians, civil servants or government services users, that it is a good idea to review such a legislation that has been in effect for 25 years with a view to improving it for the benefit of us all.

We must give the public service of Canada an enhanced tool, a legislation in step with our times that will serve us well into the 21st century. We all agree that there is a need for the legislation governing the public service operations to be renewed in order to better serve the people of Canada. However I intend to vote for the six month hoist proposed by the Liberal member so that all parties in this House have a chance to examine the draft legislation and come up with a legislation acceptable to all, that is to say the Canadian people, the civil servants, the unions, the managers as well as all the political parties represented in this House.

The House Committee on Public Accounts, on which I have been sitting since 1988, has looked into the Public Service 2000 issue. In its report tabled November 5, 1990, the recommendations made to the government included the presentation of a working document and the establishment of a special committee of the House of Commons on public service reform. This committee would carry out consultations with employees, the public service unions and other interested parties. I want to point out today a few areas where this bill is flawed.

[*English*]

The weakness which I wish to underline today is as follows: deployment, the merit principle, contracting out and the political rights of public servants.

On the subject of deployment, this is a new terminology and a new activity. Simply put, deployment means transfer. In this case the transfer is of an employee from one position to another. The process is definitely not simple and has the potential of becoming one which lends itself to administrative patronage. The problems with deployment are seen in clause 34. The deputy head or the manager has exclusive rights to make deployments within his or her jurisdiction.

Presently transfers are subject to the merit principle and can be appealed. The right of appeal has now been removed. The deputy head makes the decision for deployment and also hears complaints.

The government proposes that it has made the system fair by adding clause 34.2 which states that deployment will not take place without the consent of the employee, "unless an agreement to be deployed is a term or condition of employment of the employee's current position".

This section is fraught with many problems. First, how much coercion will be put on the employee to consent. There may be harassment and pressure put on the employee to convince him or her that refusal of a deployment will affect future career prospects and even job security. One wonders how soon it will become a permanent condition of employment that an employee sign an agreement to be deployed.

My second point is on the merit principle. The Public Service Employment Act and the present principles under which the Public Service functions are based on the merit principle. Appointments are always made based on selection according to merit after competition is held. Bill C-26 will change this. Clause 10(2) proposes to eliminate competition and allow for appointment as measured against given standards rather than against the competence of other candidates.

Canadians must be guaranteed that their Public Service is non-partisan and employees must be assured that they have the right to advancement based on competence rather than bureaucratic patronage and favouritism.

The role of the Public Service Commission is once again being severely curtailed by this bill. Gone is its power as watch dog and its responsibility to safeguard the merit principle. Managers will now have the right to move employees without regard to merit.

A figure on the total amount spent by the government on contracting out is still not known. The government has no mechanism in place to provide Canadians with this figure nor does it have any system in place to prove the cost effectiveness of this practice. There are many stories of contracts gone wrong and of duplication of costs, all this at the expense of jobs.

The public accounts committee attempted unsuccessfully to get specific details on the issue of contracting out. In its seventh report to the House tabled on November 5, 1990 the committee asked the Auditor General to examine the cost effectiveness and the effect on morale of this practice of going outside of the workplace to have jobs done.

All of our efforts in arriving at a bottom line amount have been were stonewalled by the government. However, it has been estimated that during the current 1991-1992 fiscal year the government will spend $5

billion contracting out services. The government cannot or will not account for the amount of work done outside the Public Service. It cannot guarantee that this practice is cost effective and now it enshrines in law the fact that it can lay off employees when their work is transferred to an outside agency. This does little for morale and will do little to assist in the implementation of the changes in Public Service 2000. Employees will always be living in the shadow of having their jobs gone to contracting out.

Finally, political rights of public servants. It is important to note that this issue has been left out of the bill. I repeat, has been left out of the bill. It is definitely time that legislation recognizes the need for clear, common sense rules which will liberalize the restrictions now placed on these employees to take part in political activities at various levels.

• (1140)

I mention clarity because this is a most important issue. When standards and rules are simple and clear there can be no misunderstanding. The rights of individual public servants should be weighed against the need to maintain an efficient, professional and impartial Public Service. Right now, public servants do not know with any certainty what they can or cannot do politically.

In August 1988 the Public Service Commission addressed the issue by telling its employees: "Exercise appropriate judgment and consider your specific circumstances in deciding the nature of your participation in political activities". This did nothing to provide practical guidance.

On June 6, 1991 the Supreme Court of Canada ruled that the prohibition against public servants working for a candidate or a political party violated their freedom of expression as set out in section 2(b) of the Charter of Rights and Freedoms. The Supreme Court also stated that legislation should be enacted specifying the limits of political involvement.

I believe that public servants who do not take part in either direct distribution of government funding or in the decisions around the granting of contracts should be able to participate at a particular level of political activity. Those in very public positions should be restricted. However, the guidelines have to be established and made clear, not left to guesswork.

I intend to propose amendments to those sections of the Public Service Employment Act which the Supreme Court declared contravene the Charter of Rights and Freedoms. I will also be demonstrating in committee that the 1979 D'Avignon report contains several very interesting suggestions, as do the reports of other countries concerning limitations and definitions of political activity for public servants.

All of this will solve the dilemma our public servants find themselves in today when there is so much confusion and no definition given to the political rights of public servants.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I am pleased to have an opportunity to comment on Bill C-26, which I think is an example of the worst possible way that one could imagine of trying to reorganize the Public Service, by doing it in a way that is completely at odds with the views of the Public Service employees themselves and which only serves to aggravate an already bad situation with respect to morale in the Public Service sector and with respect to the relationship that exists between public servants and the government.

There is a great deal of suspicion, and rightly so, I believe, on the part of public servants about PS 2000 which this bill seeks to implement. The government would be much better advised to re-establish a healthy relationship with their employees and proceed from there rather than trying to impose, by legislative fiat, what cannot be achieved at the bargaining table.

It is part of a trend in Canadian politics, which I think has been aggravated by the current government, and has its origins really in the rhetoric of the Conservative Party, going back to when it was in opposition. They sort of made a career out of attacking the Public Service. You see now, after years in government, that this attitude on their part is coming to fruition in this legislation.

I have a great many public servants in my riding. The Western Canada Taxation Data Centre is in my riding and twice in my parliamentary life I have had occasion to be on the picket line in front of that taxation data centre, back in 1980 I believe it was, when the clerks were on

strike and, most recent, during this much larger strike that we all know about that happened last year.

It is unfortunate that Public Service employees have come to situations where they feel that this is their only alternative. If you go out on that picket line, Mr. Speaker, you will see that we are not talking here about a highly politicized group of people who are out to make political trouble, we are talking about a great many people who have not been politically active or involved but who simply feel that an injustice is being done to them in the work place and that they have no choice in the final analysis but to respond in the way that they are responding, by being on that picket line and by supporting the strike.

Even more recently, although it is not in my constituency, I had occasion to join members of the Public Service Alliance who were on strike at the Royal Canadian Mint in St. Boniface. That strike has since been settled but it went on for an awfully long time. It hurt a lot of people and it did not have to be that way.

I firmly believe that where there is a will, there is a way in these kinds of situations. That applies to every situation and I think that the government has taken a kind of attitude to these negotiations which has not permitted negotiated settlements to be reached when they should have been reached. Instead, we had a great many strike actions which could have been avoided.

I want to talk a little bit about the whole notion of contracting out. This is one of the things that really bothers me. I think the evidence, if it were to be accumulated and documented down to the last detail, would show that contracting out is not a way of saving money. Time after time, it is an occasion for people who have no commitment to the particular project, to the particular department or to a particular task that the government is undertaking, to be hired on a short-term basis, to come in and do a particular job, make a buck and get out.

Often, although I am sure this is not true of everyone, the real and only goal is to make that quick buck. Often the public servants have to come along later and clean up the mess left by these private contractors or redo the job that was supposed to have been done by the company to whom the contract was given.

What we are talking about here is a form of long-term commitment to the well-being of a particular project or task, or department or whatever. This whole notion of contracting out, of fragmentation, of commitment is a form of degrading what I would call this whole notion of vocation; that people take their place, particularly public servants, but people might also have this kind of notion about their employment in the private sector.

There is the notion of vocation, that you are here to do a good job, you are here to serve not only your family by earning a living, but you are here to serve your community and your employer by doing a decent job, doing a job in the context of knowing that next year, the year after and the year after that, you are going to be around to answer for the quality of the job that is done.

How well you do your job will have an effect not just on you personally, but on the work place and the goals which you have set for yourself and your fellow workers. That is not the kind of society that we are moving into, Mr. Speaker, with all this contracting out business. People are just sort of random particles in some kind of molecular windstorm where everybody is contracting out here, there and everywhere and doing this job and that job and no one having any sense of cohesion, commitment or community.

It is all just a question of lining up individually isolated, unconnected opportunities to make money. I see this whole debate about contracting out as part of a larger debate about the nature of work and the nature of our relationships with each other.

• (1150)

I deplore it as much for that as I do for the more obvious and I think politically compelling reason, that it does not save the money the government claims it does. In fact, what it becomes is a sort of a boondoggle for people who are connected to the government, who receive these contracts over and above the availability and the ability of the public servants who are there to do that kind of job and who know how to do the job.

I have seen it not just in the Public Service but also in the railway where CN is obsessed in some of its sectors with contracting out. It brings in people who are not railroaders and who do not have the same kind of lifetime commitment to working on the railway. They

come in and do a particular job, and the next day they are working on something else completely different.

Maybe I am just old-fashioned. Maybe I am more conservative than the Conservatives when it comes to this kind of stuff. I think we need to preserve the notion that people are involved in a particular vocation, that people are involved in a particular industry, and that they are not just kind of jumping all over the place wherever there is money to be made, for governments foolish enough to think that contracting out is the way to go.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I understand we are on 10-minute speeches at the present time. Therefore I will certainly reduce my 20-minute speech to 10 minutes in accordance with the rules of this House.

I want to say that my party has put forward an amendment to the substance of Bill C-26 at second reading. A good number of Canadians have a certain impression of public servants across this country which in its totality is somewhat incorrect. They are not, I wish to underline for the House and the Chair, individuals who have chosen this particular life because they want to live off the political hide of government. Many have chosen to enter the Public Service because they believe quite substantively that it is a career of serving their country, of serving a particular agency of the Government of Canada, and of serving the people of Canada in that particular endeavour.

It ought to be said clearly that most, if not all, of the public servants I happen to know in my constituency and across this country are men and women who have demonstrated a capacity to work extremely hard and, on some occasions, under less generous working conditions than that of other individuals.

That is not to suggest in any way that members of our Public Service are working in conditions which are akin to other jurisdictions in foreign countries. I do want to place on the record that I have a tremendous respect for those men and women who are serving in the Public Service of Canada.

For instance, I think in my own constituency of those individuals who work so diligently in Employment and Immigration, in National Health and Welfare, in Secretary of State, in the Department of Fisheries and Oceans, and in all other agencies of the Government of Canada in my constituency and indeed on the island of Cape Breton. There are examples of individual public servants who may from time to time have arguments, confrontations and misunderstandings with individuals including myself. By and large they work very hard. They are extremely dedicated and they have a clear appreciation of their role and its importance for Canadians across this country.

In many respects this government when it comes to our public servants has been seen to create an environment of confrontation thereafter resulting in low morale. I have never seen in my years in Parliament representing constituents and interfacing with government agencies such low morale in the public servants of this country. It is little wonder when we review the treatment they have been given over the last number of years and equally so the sort of spin that is put on the Public Service of this country.

I draw to your attention, Mr. Speaker, the examples we had in this House. We had ministers of the Crown who intervened in debate on back-to-work legislation and left the impression intentionally or otherwise that members of the Public Service were fat cats who had a pretty easy route, were not unemployed, and therefore should be grateful for whatever the Government of Canada would give them in terms of compensation, both monetary as well as non-monetary.

In my view that is the lowest form of politics. It is the politics of envy.

I stand in this Chamber as I have on many occasions to echo the sentiment in my district that unemployment is at an unacceptably high level in this country. But I do not like governments or ministers of the Crown playing one off against the other as we have seen done by the Government of Canada over the last number of years, particularly the last number of months.

It is very easy to criticize someone who has a job because he or she may want better employment equity laws and regulation, someone who wishes to have better health and safety regulations or someone who wishes to have better compensation for the effort, for the hours, and for the dedication given to his or her particular portfolio in whatever capacity, and to interface that with

the unemployed who have no opportunity for meaningful jobs.

I do not like that. I do not think it is needed. I do not think it adds to the level of debate. It certainly produces, as we have seen in the Public Service, a very low morale. It serves only to disunite Canadians as opposed to uniting Canadians on an important issue such as the public sector.

I would have thought that the Government of Canada, through the minister responsible and particularly members of cabinet, would have looked at the Public Service in the way members of the private sector and of non-profit organizations are now pursuing. There is a real desire by some organizations, private and non-private, to try to bring into the fold their employees and to have shared objectives, courses of action and strategies with their employees in order to better service the clientele in the private sector and public sectors across this country.

We have seen the exact opposite with this government. We have seen a government that has run a cabinet like a corporate board. It seemed to forget, or perhaps to a greater extent purposely put aside, the concerns of the rank and file, the workers of the Public Service in terms of what they can do in achieving the goals of the government to improve services to all Canadians. I find that kind of attitude to be disconcerting. If the Government of Canada were to achieve some of the goals it has laid before Parliament, if it were to subscribe to its agenda, it must seek the assistance of public servants. They must be able to interface without fear of retaliation, without fear of additional contracting out of services. What they say and do must in fact be appreciated. I do not think that is the case with this particular government. I think it has done everything, intentionally or otherwise, to alienate the Public Service, thereby resulting in poor morale. One has to question in some instances whether or not the objectives of public servants as it sees them are being achieved.

• (1200)

I would hope the Government of Canada would stop using the public servants of this country as whipping boys and whipping women in a debate over the Canadian economy and over the recession we are in at the present time. It is essential that they be paid reasonable compensation for their efforts and for their dedication, but I also believe that they should have a meaningful say in terms of the delivery of programs, in terms of the administration of the Public Service not only for their betterment but also in achieving the objectives of the government. Of course the ultimate object is providing top quality service for Canadians from coast to coast.

[*Translation*]

Mr. Clément Couture (Saint-Jean): Mr. Speaker, my speech this morning will be relatively brief.

Public Service 2000 is indeed an excellent initiative and will certainly prove worthwhile for all Canadians. All members of this House have great respect for Public Service employees. We need them, and we realize that they are doing an excellent job.

I do not think it is in any way disparaging to Public Service employees if we look for ways to improve efficiency and renew a public service which seems to have been operating on the same principles for the past 25 years.

In my speech this morning I want to express my support for Bill C-26, and I will explain why. Public Service 2000 will achieve the following objectives: Initially, change internal management rules to make them more flexible, more effective and more service oriented. Throughout this initiative, we see there is a very real respect for all public service employees. Our purpose is simply to make certain adjustments to the technological developments that have taken place during the past 25 years, to change the rules and make it easier for the public servant to do the job he has to do as part of his duties.

It is clear that the Public Service must concentrate on providing better service to all Canadians. This also means updating the rules on collective bargaining, staffing and human resource management. The reform will be prepared by a task force created in January 1991, which will be responsible for simplifying the position classification system by abolishing occupational categories, reducing the number of occupational groups from 71 to 23, and simplifying classification standards and reducing the number of classification levels.

I repeat this will make the Public Service far more responsive to all its employees and help it to continue improving services to the public.

Despite all these changes, many groups will continue to exist, such as specialists and technical jobs, but the administrative sector will be consolidated in a single occupational group to be known as general services.

Classification standards will be consolidated through the use of a universal position evaluation plan, which will be instrumental in establishing a system providing for equal pay for work of equal value. This standard in the Public Service, which we find in all private sector bargaining, is certainly one of the standards most appreciated by public servants, and will also be appreciated as such at the functional level.

Consolidating occupational groups will substantially reduce the range of pay scales and thus simplify administration.

As I said before, my speech will be brief, and I am about to conclude. I am sure all parliamentarians will support this initiative because after 25 years, it makes sense to make Public Service operations more effective and more service oriented, for the benefit of all Canadians.

[*English*]

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, it gives me great pleasure to stand and speak on this bill. I am not in support but in opposition to the proposed bill.

As you will recall, Mr. Speaker, the Standing Committee on Public Accounts made a recommendation to the House of Commons that a special committee of Parliament be empowered to consider the principle of the bill as well as its substance in the total context of PS 2000.

Our caucus and our party support the recommendations of this committee for the reason that we should look at the thrust of PS 2000. The whole idea behind it came from that which the Prime Minister announced on December 12, 1989. He announced PS 2000 which he called: "an initiative to renew the Public Service of Canada". At the time the Prime Minister explained that the purpose of the initiative was, first, to foster and encourage a Public Service that was professional, highly qualified, non-partisan and imbued with a mission of service to the public; second, to recognize that its employees are an asset to be valued and developed; third, to place as much authority as possible in the hands of front-line employees and managers; and, fourth, to provide the scope for different organizational forms to meet different needs but in the context of a single Public Service.

These are the principles and I think they are generally good. If we are looking for professionalism in the Public Service it is there. Our Public Service is highly qualified, non-partisan and its mission is to serve the public. The first objective is met. I say this with the knowledge that we have one of the finest public services not only in North America but perhaps around the world.

The second point concerned recognizing its employees as an asset to be valued and developed. That is a question mark. The reason I say this is that over and over again we have seen very low morale in the Public Service. While the thrust of 70 per cent of the PS 2000 was to create some attitudinal change in the Public Service, we have seen the morale at an all-time low. Why is the morale so low? It is for a lot of reasons.

• (1210)

First, look at the question of how we treat our public servants and where we are hitting them the most. We are hitting them the most in their pockets. Look at the cost of living in our society. The increase in 1991 was expected to be 6.4 per cent, but what we paid our public servants was 5.2 per cent.

In 1990, 66,000 public servants earned less than $29,000 per year. Compare this to the poverty line which for a family of four is $29,800. When we look at this group of people two-thirds of them are women working in low paying jobs.

The idea of promoting them within the work force has not taken off as we thought it would. Other than morale the public servants are also concerned about the question of downsizing.

At a time when there is tremendous pressure on the Public Service to provide quality service, which in my view it is doing, we have seen since 1983-84 a decrease in the Public Service. In 1983-84 we had approximately 258,000 employees. In 1990-91 we had 221,859 employees. That means that 35,000 to 37,000 employees have been removed from the payroll of the federal government. This is at a time when we have to increase the number of public servants in the work force in order

to guarantee that we are providing quality service to our communities.

Instead of increasing the number of public servants what the government has done is contract out. The Public Service Alliance calls it the $5 billion scam. If the government is to respond to this allegation by the Public Service Alliance of Canada, what it should be doing is setting up a task force to look at the value for dollars invested when it comes to contracting out. This is a challenge for the government to respond to or it can accept the allegations of the Public Service Alliance of Canada.

Second, consider the downside in the Public Service. I have challenged the government in the past and I will repeat it. I believe my colleagues will join me in saying that there should be a study as to whether we have a surplus or a shortfall when it come to public servants. I can assure you we have a shortfall.

I will use examples from Immigration Canada. Nowadays people who are looking for service at Immigration Canada have to line up at 6 or 6.30 a.m. in order to get to the counter. In order to obtain an application form from citizenship courts all across the country one has to wait more than eight months. Health and Welfare is another area the government should look at.

These are some of the areas we are concerned about. More important, the whole question is about reforming the Public Service so we have fully productive, co-operative, non-partisan, happy and easy going public servants. What the federal government should be doing is involving the public servants themselves.

I know in its proposals it has indicated that it approached the Public Service Alliance of Canada which represents a large segment of public servants but did not get its support. Speaking personally as an employer, the federal government has a moral obligation not to proceed with any legislation that is not supported by its employees and their representatives.

The call by my colleague from Ottawa South on the government to set up a special committee prior to dealing with this legislation is a valid one.

The reason I say this is that there are a lot of issues out there that the government has to look at before it implements any kind of legislation.

Nobody could have put the issue before the public as well as the union has done in terms of the various pieces of information that it has put out to its members, in terms of the various studies it has done, and in terms of the various analyses it has done.

Having said that, I think the government has taken an initial good step toward reforming the act. The way it is doing it suggests it is not the proper way. It has to sit down with its workers and with the representatives of the workers to try to get them to buy in.

The reason I say this is that in the 1990s and beyond the year 2000 we must have the support of our workers if we are to come up with any kind of productive good legislation. We will not be able to have a fully productive society if the public servants who are providing those services to our society are not happy and looked after.

Ms. Mary Clancy (Halifax): Mr. Speaker, I am very pleased to be able to take part in this debate as the representative of the people of Halifax because Halifax, as many in this House are aware, is the third largest Public Service town in the country.

We have many different areas of the Public Service in our city. We have the civilian employees of the Department of National Defence. We have Health and Welfare. We have National Revenue. I could go on and on and on. In the greater Halifax—Dartmouth area there are approximately 20,000 to 30,000 employees of the Government of Canada.

I agree with my colleague, the member for Ottawa—Centre, that the time for reform and legislation relating to the Public Service is long overdue. I am afraid however that the government has laboured and brought forth a mouse. It is a mouse that is not going to do much for either morale or for the sense of pride and accomplishment workers want to have in their work.

We have a tremendous Public Service in this country. It is hard working, committed and there for the public in practically every area of endeavour. These public servants are going through a time which can only be described as extremely difficult. These public servants

are experiencing what can only be called a malaise because of a lack of response to their very real needs.

One example of this malaise is the regional disparity with regard to wages. There is no phrase that can galvanize my constituents faster than the phrase regional rates. Atlantic Canadians enjoy the lowest rates of pay and the greatest disparity with comparable private sector salaries in the country.

I have here in front of me some figures that I received from Halifax. They represent the electrical installing and maintaining subgroups. In other words they are electricians. They make more than $1 less than two of the other five zones of labour, more than $2.50 less than the fourth, and a full $3 less than the fifth.

Over and over again it has been said with regard to regional rates that the cost of living is not lower in Halifax than it is in most of the other centres of the country. Indeed, in a great many respects because of freight rates it is higher than in lots of other places in the country. Private sector electricians are paid comparably to their colleagues in other regions of the country. The public sector is not.

My second example of regional rates of pay is pipefitters. Again they receive $2 to $3 less an hour than the other zones. Woodworkers get $2 to $3 less than other zones. Why should workers in Atlantic Canada be singled out for significantly lower, indeed the lowest regional rates of pay? Is there anything in this to change that situation? No, there is not.

• (1220)

I move on to a second area and that is the lack of equal opportunity for women, visible minorities, aboriginals and disabled persons. In other words, this government is not subject to its own pay equity laws. It would be laughable were it not so serious.

A year ago a group of women in the Public Service at the government's behest came forward with a report that shows us the problems for women in the Public Service of Canada. That report is titled *Beneath the Veneer*, and from it a new expression became common currency, in English at least. That expression is the glass ceiling. There is not a woman in the work force, Public Service, private sector or Government of Canada who does not know what a glass ceiling is. Every woman who works outside the home has butted her heat against the glass ceiling at one time or another.

In the Public Service of Canada we are supposed to set an example and lead. We are supposed to show that we are the most equitable, the fairest. We should be the shining light for the private sector, provincial and territorial governments to follow. Our light is pretty grimy at this stage of the game.

The fact most particularly that this government is not subject to the pay equity legislation ought to make us ashamed to show our faces in public. A government that is not subject to its own laws is disgraceful.

The next item I want to refer to is downsizing. There is no question that some downsizing has to take place to make us more competitive. We are all aware of that and know the problems here. Downsizing done in such a manner as to shake the morale of the entire federal Public Service has hardly been handled in a way that one would expect, not just from caring employers but reasonably intelligent employers.

In the six years since this government began its downsizing program, 13,000 positions have been cut and 24,000 workers have been affected by the downsizing with precious little warning and with precious little cushion. This is something else that is foreign to the traditions of the Public Service of Canada. In the past in the Public Service of Canada there was always a sense that if jobs had to go because of changes in the way we do things—whether we are talking technology, downsizing or tight times in the budget—it was done in such a way as to optimize the next set of choices for the worker. It was not just done like some mad axe killer rushing through departments and chopping off people's heads.

There has to be and always has been in this country a sense of caring and concern for workers and the people. I keep coming back to the phrase of Robin MacNeil of the MacNeil-Lehrer report on public broadcasting in the United States. He said when President Bush talked about a kinder and gentler America: "There is one. It is called Canada".

Well, no more. We are losing that reputation. We are losing that edge but, worse of all, we are losing that compassion. When we lose it with regard to the federal Public Service, when we as the representatives of the people do not stand up and defend the federal Public Service, we are cutting our own throats. These are the people who are supposed to put the policies of govern-

ment into force. If they have no trust and faith in the policies of government, how well are governmental policies going to be brought to the rest of Canada? Not very well at all.

A final area that I want to talk about is contracting out and laying off those who perform the services. A recent court decision ruled that the government could not legally contract out work and then turn around and lay off those who had been doing that very work. At the very least, it is putting the cart before the horse.

However the government seems determined to go ahead with this bill and ignore the recent decision. It is not sensible. When we look at the approach this bill takes and the history of government policy toward the federal Public Service, it is almost as if the Public Service were in an adversarial position with the government. If that were the case, someone misunderstands the situation.

Those of us on this side of the House do not misunderstand the situation. When I return to Halifax on weekends and during the breaks in the legislative year, I talk to many, many federal public servants. I hear their concerns and their wishes to do a good job and take pride in their work. But their overriding concern is that their jobs are not valued. In the Atlantic provinces they are not paid what they are worth and what other workers doing the same job are considered to be worth. I hear that there is an absolute crisis of confidence of public servants in their government.

While there is a crisis of confidence among public servants toward their own government, the business of Canada cannot be done in a way that benefits all Canadians. We have too many crises in this country right now. This is one that government policy can alleviate. The government should act.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I am pleased to speak against this bill. As usual, I have an hour of material and nine minutes and 30 seconds to condense that material into the appropriate timeframe.

As usual I want to quote from our Prime Minister in his infamous book *Where I Stand*, now appropriately called "Where I Stood". It reads: "Our belief was that the adversary system of labour relations ultimately produces just that, adversaries. It was our intention, and we conveyed repeatedly and emphatically to both our union leaders and our employees directly to go the extra mile to avoid hurtful confrontations throughout our system that inevitably affect morale, productivity and ultimately profits". Often we agree with what the Prime Minister said at that particular time, but obviously he no longer agrees with what he himself said.

I have an abundance of statements by public servants from across this country. They, better than anyone else, can say exactly how they feel. I wish I had the opportunity to read all of their statements from Newfoundland to British Columbia, but I want to highlight just a few of them before I get into some of the specifics.

Rather than having a lean, efficient machine to move into the 21st century, Canadians may wake up to find that the tune-up done by the mechanics of PS 2000 was really some backyard mechanizing done by Curly, Moe and Larry. A cynical comment you say, but perhaps appropriate.

Claude Parent from Montreal says: "All inspectors will tell you that our work is only a smoke screen now, hiding reality. Now inspection is aimed at companies rather than the Canadian public. American border inspections went from all loads to one out of twenty and finally went up to one out of five because of pressure from technical and professional employees".

Does this have an affect on our daily lives? It has an affect on our economy. May I suggest that foreign manufacturers are continually dumping products into our country and steel is one of those products. We do not have the inspectors to inspect appropriately the shipments of whatever is coming into this country. This has a direct impact on people and a direct impact on the economy of our country.

Karen Fougere from Yellowknife says: "We have UI agents who are asked to work two or three hours of overtime every day and they do not care about your home life or your family".

We in Sault Ste. Marie can appreciate that statement simply because about a year and a half ago our UI people were asked to work overtime every day. They worked all weekend to meet the requirements of 5,000 workers who were registering to apply for UI benefits. They registered these thousands of people twice. The point is that they had no family life whatsoever. I think the downsizing of our work force, along with the downsizing of all the

manufacturing outlets in this country, has a negative impact.

• (1230)

This bill is indeed complex and I suspect very few people will get into the intricacies of it. It is a complex bill that impacts 150,000-plus individuals who work for the government, but they work for 26 million Canadians and have an impact everywhere in their daily lives.

We had a labour dispute just a while back. The walk-out affected a wide range of government services. It delayed traffic at airports and harbours. It closed waterways and jammed border crossings. Ships carrying Canadian grain bound for China were halted. Convicts at a B.C. prison complained of strike related hardships and rioted. Industrial production staggered as imported manufacturing components were delayed at border customs posts.

It impacted the whole country. I think the government believed that politically it was not a bad idea and that Canadians would turn on their public servants. Well, it backfired. There was a great deal of sympathy for the people who worked for us and that tide of sentiment really turned around.

As Premier Bob Rae suggested, to legislate a zero per cent increase and ask for co-operation really borders on the ridiculous. The treatment of people in that way is no longer acceptable. We are not going to get into the intricacies of the bill, but we went to a special presentation that suggested what we require above all is a 70 per cent attitudinal change, a 20 per cent mechanical change, and a 10 per cent legislative change.

Our suggestion is that we work on the attitudes first. If we need an attitudinal change of 70 per cent, let us work on that. Do not bring in legislation that is extremely unpopular with the workers of the country. It is going to be very difficult for them to co-operate because it will impact them most directly. Let us deal with the attitudes of the government, the employer. Let us work on those attitudes first. Let us win the confidence of the people who work for us.

In PS 2000 there is an indication that consultation was not carried out the way it should have been to come to a consensus that meets at least with the grudging approval of the workers. There are small areas of positives in this bill, and I will cite the concept of probation to try to give both sides of the picture. You should undergo a probationary period only one time. Previously if you transferred to another position you would have to undergo another probation for that particular occupation. We accept the concept of one probation. If you are good enough to perform government service in one occupation, I suggest you are good enough to serve in another occupation.

It will also facilitate the placement of people in new positions and shorten the time periods so we will not be left without public servants in appropriate positions.

Of course we have some problem with the concept that merit may be set aside, that more subjective decisions may be made by managers, and that the competency of people may not be the final judgment. We are not here to suggest that anyone would make arbitrary patronizing kinds of decisions, but that potential is there. The fear of public servants is that merit will be set aside and these other considerations will take its place.

I would like to mention contracting out. One of the direct implications of this bill is that if work is taken out of one department and put into another department, the manager has the authority to lay off a person within the confines of his work area. We are suggesting with the bent of this government on contracting out that we are convinced there is a $5 billion scam. It is not saving. It is costing taxpayers money. We should not allow that area to lose its work force. There is no protection whatsoever for the employees.

Another major problem is that we are undertaking to overhaul a system that is indeed antiquated. Rather than tackling the system as a whole, however, we have decided to tinker with it. The tinkering is taking place in a rather simplistic fashion. We will just sort of place these thousands of people into this category. The category will be unwieldy and impossible to deal with.

Rather than overhauling the system, as I think public servants agree should be done, we are going to tinker with the system to the detriment of workers. I think in the end this will be to the detriment of Canadian services. I repeat that I think it is somewhat popular to dump on public servants and to bash them because they are the most visible of all workers. Everybody sees them. They are on the front line serving the people. I think the vast majority of them want to serve and they want to

serve well. However, with morale at the lowest level possible how do we anticipate that things will get better?

We are opposed to the PS 2000 Bill C-26.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to offer my comments on the legislation we are presently considering before this House. They are items of great importance not only to the Public Service but to all Canadians who on a daily basis utilize the very valuable assistance that only the Public Service of Canada can render to the people of Canada. These are in areas so important that they affect the day-to-day activity of all of us who work for the Government of Canada.

These are areas such as contracting out, the very important area today of employment equity, how we treat our casual employees in our community, and the prospects of doing away with the merit principle which is certainly contrary to the position of the party I represent and speak on behalf of today.

It is an unhappy fact that labour relations in Canada have never been worse in our history. The labour unrest of last September and October revealed a country at odds with itself. Workers were most unhappy. Workers were frustrated and feared for their future. They were dealing with an uncaring government which seemed oblivious to the damage it was creating in the labour relations field.

It is very obvious to everyone that the Public Service is in need of fundamental reform in Canada today. Canada's Public Service totters along backed by legislation enacted in 1967, and before that in 1918. It certainly is time that we took a look at the complete system of negotiating with the employees of the Government of Canada and provided new, forward looking guidelines for the 21st century.

It is essential that in doing so we legislators provide the very best model we can formulate. After all, Canadians in the civil service were once regarded as a model for all other countries in the world to follow.

It is evident that those days are long gone and Canada's Public Service personnel have never been unhappier, never been so demoralized and never been without clear-cut goals. Certainly we all know this affects the service that is rendered to the average Canadian on a day-to-day basis.

• (1240)

It used to be that the Public Service was expected to work toward the interests of Canada as a whole, but over the last seven years it is evident that the Public Service has become another target for so-called privatization in the questionable attempts at reform. I will return to this later.

As I said a few moments ago, the Public Service is in dire need of reform and revitalization for the years ahead. That brings us to PS 2000.

It is the view of the Official Opposition that PS 2000 has been a spectacular flop. Far from being an exercise in democracy, this legislation provides for an arbitrary list of reforms. No one was consulted. Where was the dialogue? The Standing Committee on Public Accounts of the House of Commons found the document lacking in several respects and recommended the establishment of a special committee of the House of Commons to hold hearings to review PS 2000.

What did this government do? It went ahead with the preparation of legislation, ignored the recommendations of an all-party committee of the House Commons, and announced that the only review would be through a legislative committee.

We on this side of the House should be a little more used to the methods employed in this legislation as it is so apparent that this government has been using its mandate in many other forms and particularly to control the activities of the Public Service of Canada.

The intense dissatisfaction with this government demonstrated so strongly last fall with several weeks of strikes in the public sector points to the pressing need for a complete overhaul of labour relations in this country.

It is essential that an omnibus bill of this sort address the most pressing needs of the Public Service. In some respects we on this side of the House are prepared to countenance certain clauses of the legislation that do in our view strengthen Canada's Public Service.

There are all too many areas where we have serious questions about the bill's suitability with respect to progressive employment practices. As an example, the runaway trend toward contracting out which this govern-

ment favours is really a way of privatizing the Public Service in Canada.

Casual workers employed where extra help appears to be needed at any given time do not enjoy the security of the work place or the security of employee benefits. We have grave reservations about the hiring of so many casual employees in Canada.

The government has increased its contracting out budget in the Public Service from $2.7 million annually in 1984 to the present and current $5 million projection today. Public sector workers could provide the services required given a more flexible system and enjoy more harmony within the work place. Why hire outside workers and fail to protect them with the basic benefits we all should enjoy as employees of the Government of Canada?

Therefore, the contracting out, the downsizing, the privatization concepts that are being put in place, and the use of short-term, temporary or contract employees all add to the disharmony we see today in the relationship this government has with its Public Service employees.

For those of us who spent some of our former careers at the bargaining table along with employers, employees and labour lawyers like myself, there is today an enlightened approach and a new vision that we could adopt for the 21st century. At the end of the bargaining process, when we leave the table and the deal is struck, the people who usually negotiated that contract are no longer in the work place. The bargainers have gone elsewhere and are no longer responsible for those for whom they bargained. The labour lawyers have gone to some other labour confrontation or some other endeavour. That only leaves the employer, the employee, the supervisor and so on in the work place who must work in harmony.

It is important that at the time of the bargaining process everyone involved realizes that at the end of the day people must work together. People must work together in harmony. People must understand the terms under which they work and the employers must have the responsibility and the security of knowing what their future holds.

I suspect very much when I analyse what has happened within this country, especially since last October, that that harmony does not exist. That spirit of co-operation is no longer in place. The labour relations this government has projected for its Public Service is causing further deterioration in the feeling that this country of ours can be a great country. I suggest to this government today that it take that lesson, start to unify and make those areas between Government of Canada employees and the people who administer its contracts much better.

I thank you very much, Mr. Speaker, for the opportunity today in making that contribution.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I am of course very pleased to take part in this debate on Bill C-26, especially because, if you consider for a moment, politicians depend heavily on the public service in running the country. No theme in *Public Service 2000* is stronger than improved service to the public. However, this improvement in service will come mainly from administrative measures such as training and professional development, consultation, customer surveys and service standards. That is why the existing legislation, which has become obsolete over a quarter of a century, must be changed.

Almost all the provisions of the bill relate to the objective of improved service. In some cases, the connection is direct, as with faster staffing for example; in others, it is less so. For example, simplified administrative procedures will free managers and employees and give them more time to serve their customers better, which is obviously the basic purpose of the public service.

Reduced paperwork and administrative red tape and fewer management levels will save money and thus make more resources available to improve front-line services to the public.

There are many important connections between the bill and service to the public. In the field of staffing, for example, transfers will be used to rapidly reassign employees to where additional resources are required. This will foster enthusiasm and especially creativity, two characteristics of good service.

Use of casual employees, will also help meet short-term requirements. Furthermore, the classification system is now being simplified to respond better to work place requirements. In its present form, the system is poorly adapted to the needs of a staff whose abilities are

increasingly diverse. It does not make it easier to reassign employees quickly in an ever-changing environment and it creates unnecessary distinctions which are very costly and waste a lot of time.

The present system, needs vast resources—more than 100,000 classification actions a year. Imagine. From now on, the number of occupational groups will be considerably reduced as will the number of levels, we hope. Both initiatives will help smooth the traditional hierarchical structure and make the process more service-oriented.

As for employment equity, we have known for a long time that the quality of service to our different public section depends in part on the representativeness of the public service. The new act specifies that the government will be able to launch employment equity programs without having to go through all the red tape of the past. Once again, the Public Service will benefit from that measure.

• (1250)

Bill C-26 includes several reforms concerning staff relations, all of which are aimed at improving the service to the public and streamlining the present procedures. The scope of the arbitration process is extended, which will encourage people to use that process rather than to go on strike.

Moreover, Mr. Speaker, the administrative work that is necessary to exempt civil servants from collective bargaining will be reduced. It is the positions that will be exempted, and not the employees that fill those positions; consequently, it will no longer be necessary to reopen a file every time a position is filled by a new incumbent.

Public Service 2000 is essentially an exercise aimed at improving the service to the public by increasing the motivation of employees, giving more freedom to managers and making them more accountable, as well as providing the Public Service with better systems to satisfy the needs of its clients. This exercise must take place with fewer resources, fewer formalities and fewer levels of management; as well, centralized systems that are too rigid will have to be replaced. The savings that will result from this exercise will be used to improve the service to the public.

The bill on the reform of the Public Service enables us to eliminate those obstacles that prevent us from providing a first class service to the public. To sum up, this bill makes the staffing process less rigid by authorizing an increased use of transfers, as well as simplifying the classification process. It also authorizes the hiring of temporary employees more quickly than before, to face short-term needs. Finally this legislation eliminates obsolete provisions concerning eligibility lists, probation periods and dismissals.

Employer-employee relations will be improved, thanks to amendments that will encourage the increased use of arbitration, will facilitate the identification of managers and confidential employees to be exempted, as well as speed that process.

It is very important that the Public Service be more representative of the different clients it serves. That is why this bill provides for employment equity programs. I therefore urge the members of this House to pass this bill as quickly as possible so that its provisions can take effect immediately.

[*English*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, in rising to participate in debate on this very important Bill C-26 I think it is important to remember part of the history of the dealings in which the government has engaged in bringing this bill before the Commons.

In December 1989 the Prime Minister announced that he was launching an in-depth study of the Public Service. As a result of the lengthy study which was called PS 2000 we were to receive a white paper. In fact we did receive it but the white paper was called a policy paper, not a discussion paper.

Notwithstanding the fact that the white paper was reviewed by the Standing Committee on Public Accounts, the bill has been introduced without the benefit of further study by that committee as recommended by it.

The recommendation was that the bill be studied by a committee so that the principle of the bill as well as the details could be subject to review before its passage in this House at second reading.

The government has rejected that very wise, very sound advice. Why has it chosen to do so? One can only

assume that it is because the government in its actions has displayed a very high-handed approach in its dealings with the Public Service of Canada.

I need not go back over history to prove that point. Members of the public and members of this House will well recall the really shocking treatment the government meted out to its public servants recently in the course of the strike. For the first time in our history, certainly since the Second World War, the government legislated the members of the Public Service back to work without any binding arbitration arrangement. It legislated a zero per cent increase which even its friends in Toronto did not do. A one per cent increase was negotiated in Toronto while this government legislated back at zero per.

I think all Canadians were appalled at the government's callousness and the manifest unfairness it portrayed in the course of proceedings on that bill. It had already given a 4.2 per cent increase to management in the Public Service, and then it legislated the people in the lower echelons of the Public Service back to work at zero per cent.

Mr. Dick: That is untrue and you know it.

Mr. Milliken: The Minister of Supply and Services says that is untrue and I know it. I know that in fact it is the opposite and he knows it. He was there. He knows that the 4.2 per cent increase was given in February 1991 before the budget came down. If he has forgotten I suggest he take a look at the budget documents which indicate that was in fact done. It is public knowledge. It is on the public record.

Mr. Dick: You are misinforming the public. It is untrue.

Mr. Milliken: I challenge the hon. minister to rise and participate in the debate if he disagrees with what I say. He knows a 4.2 per cent increase was given in February 1991 and a zero per cent increase was legislated for the remainder. In fact, I recall he had an opportunity to participate in the debate on that bill. I do not recall that he did.

As my friend from Gloucester says, the Minister of Supply and Services is a great defender of the Ottawa Public Service, except in the case of some of these bills.

I want to turn to the fact that this particular bill is based on a policy paper which was prepared by a group of individuals put together by the government for the purpose. Ten task forces were created to deal with 10 different areas of interest in respect of the development of the Public Service. If you look at the list it all sounds very reasonable.

Who sat on the task forces? Thirty-one deputy ministers, twelve assistant deputy ministers and nine heads of personnel sat on the task forces, that is who. There was not a single representative of any of the Public Service unions and no one from the lower echelons of the Public Service. They were all high ranking public officials who sat on these task forces devising ways, in their view, to improve efficiency in operations of the Public Service.

There is no doubt the changes recommended could lead to greater efficiency, but I suggest that fairness and proper treatment of persons employed in the Public Service are liable to be sacrificed by the terms of this bill in favour of political or administrative expediency.

I introduced a private member's bill in this House, Bill C-234, to amend the Public Service Employment Act in part. The purpose of the bill was to ensure that persons appearing before the Public Service Commission for hearings, grievances on promotion, transfer and whatever, got a fair hearing. They would have been able to see the documents that were used by the other side against them. They would have had an opportunity to bring witnesses to the board and cross-examine witnesses presented on the other side.

The new bill does not contain any of those procedural safeguards. It takes away some of the powers the Public Service Commission had in respect of transfer and moves them to the Treasury Board which of course is the employer's own board.

The purpose of the Public Service Commission was to establish an independent body that would deal with the Public Service and keep it as much as possible at arm's length from the government to avoid political interference. This bill goes a long way toward breaking down that arm's length relationship and that aura of independence and responsibility the Public Service Commission has exercised in this country for most of this century.

I see my time has expired. I will continue my remarks after the lunch break.

S. O. 31

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being one o'clock, I do now leave the chair until 2 o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

HEART MONTH

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, this week Canadians celebrate Valentine's Day. We remember our loved ones with hearts and flowers, but February is heart month when thousands of volunteers of the Heart and Stroke Foundation work with the public to increase awareness and request assistance to combat Canada's number one killer, heart disease.

Progress against this quiet but devastating disease is being made. Over all, the death rate for Canadians under 65 has dropped by 36 per cent. However, health and welfare reports that cardiovascular disease costs our economy almost $17 billion every year.

Much work still needs to be done and when a volunteer for the Heart and Stroke Foundation comes to your door this month please have a heart. Please help overcome this number one heart killer.

* * *

NEW FLYER INDUSTRIES

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, New Flyer Industries, a bus manufacturer in my riding, is waiting to find out if it will receive a $12 million contract to supply 60 buses to Las Vegas Transit.

Despite a very competitive bid, the third lowest and the lowest one which meets all the needs of Las Vegas Transit, the city of Las Vegas may not award New Flyer the contract simply because it is not an American company.

New Flyer has complied with UMPTA, the American's watchdog, by honouring all of the requirements of "buy American". One of these is that 60 per cent of the content of the vehicle being sold must originate in the United States. New Flyer conforms to this rule to be eligible to compete in the U.S. market. In fact it imports $17 million more from Americans than it exports to them.

What is more frustrating is that to meet another requirement of "buy American" it has had to establish a manufacturing depot in the U.S. for final assembly of vehicles. New Flyer has three facilities in the U.S. to remain eligible to compete in the U.S. market.

But what is the possible return on this investment when the U.S. simply refuses to buy Canadian? That is not free trade; it is extortion. The Canadian government should wake up and smell the coffee.

The Americans are always looking after their interests. Perhaps we should do the same for a change and abrogate the FTA or at least have the Americans respect the spirit of the free trade agreement while it is in place.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Joe McGuire (Egmont): Mr. Speaker, Canadian farmers are being asked to be part of a solution even though they are not part of the problem.

Our grain and oilseeds producers are being rendered paupers by a subsidy war between the U.S. and Europe.

Our supply management producers are being asked to give up a lifetime of effort and investment to satisfy American demands to enter our markets, this demand from a country which has barred the world's dairy products from access to its market since 1954. Again we dance while the U.S. calls the tune.

Canada has developed a system in dairy which is the envy of the world. A recent American farm publication has stated: "threatened as it might be, the Canadian dairy industry continues to earn the respect and envy of dairymen in the U.S. and elsewhere".

Our government must not allow the destruction of this industry. Our dairy industry must not be sacrificed on the altar of conciliation to the big economic powers.

In Atlantic Canada alone 6,250 jobs depend on the dairy, egg, and chicken industries; in central Canada, over 70,000; in the west, over 20,000.

It is time for Canada to say: "No more". Canadian farmers are getting nothing out of this GATT deal. We lose again.

* * *

[*Translation*]

CANADA GAMES

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, as Parliamentary Secretary to the Minister of State for Fitness and Amateur Sport, I have the pleasure to inform the members of this House that we are celebrating today the 25th anniversary of the Canada Games.

Since the first games held in Quebec City in 1967, some 31,000 young Canadians have taken part in the games per se and 120,000 in the eliminatory heat, thus gaining invaluable competition experience.

The Canada Games tradition will be carried on during the 1993 Canada Summer Games to be held in Kamloops, British Columbia, and the 1995 Canada Winter Games in Grande Prairie, Alberta.

These Games were a springboard for most of the young athletes who are currently representing our country at the Albertville Olympic Games.

I would also like to announce, on this special day, the creation of the Roland Michener Award which will be presented every two years to a promising young athlete participating in the Canada Games.

Mr. Michener, who passed away last year, was renowned as a jogging enthusiast and as a champion of sports and fitness. It seems only fitting to honour him by making sure that future generations of young Canadian athletes keep alive the memory of such a remarkable man.

Let us celebrate together, this anniversary of the Canada Games.

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mrs. Christine Stewart (Northumberland): Mr. Speaker, there are some 225 supply managed farms in my riding of Northumberland.

These farmers are worried about the outcome of the GATT negotiations in the coming weeks. As well, any losses in agriculture negatively impact on many other areas of our economy.

Farming is vital to our economy in terms of trade revenues and its spin-off support to agricultural suppliers, handlers and processing industries. Farming supports the rural lifestyle of many in Northumberland.

Canada's supply management system has provided stable prices for our dairy, poultry and egg producers and secure supplies for Canadians for more than 20 years. A changed system would put at risk the livelihood and rural life-style of thousands of farmers in Northumberland, risk some 70,000 jobs in Ontario and a $10 billion industry.

I urge the federal government to support farmers in my riding of Northumberland and across Canada, and to do everything it can to protect Canada's supply management system from being destroyed at the current GATT negotiations.

Canada's supply management is the best system for Canadian dairy and poultry producers.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, we are nearing what we hope will be the successful conclusion of the Uruguay round of the GATT negotiations.

For the first time in GATT's history, agriculture will be included. Canada has presented its position to strengthen and clarify article XI. This is of extreme importance.

The federal government together with the provinces and the agriculture community developed this negotiating position and this is the position that Canada maintains.

Canadians benefit from a system of supply management which ensures a secure supply of reasonably priced, quality products. A strengthened and clarified article XI, will ensure the future of supply management and prevent future international challenge.

I wish to assure supply managed farmers of my support for their industry and this position. Producers can be assured that the Canadian government will continue to fight to strengthen and clarify article XI.

* * *

PALESTINIAN REFUGEES

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, this Saturday, Kuwait, a country Canadians fought to liberate during the gulf war will impose impossible residency restrictions on its Kuwaiti-Palestinians.

In essence, it will kick them out, but most Palestinians have no homeland and other Arab states have their own refugee problems and refuse to accept them. Without a permit, the only alternatives are paying a fine or going to jail.

About 1,000 Kuwaiti-Palestinians have family in Canada willing to sponsor them, but the Canadian government is doing nothing. Unlike the U.S., Canada has refused to fast track Palestinian applicants and Canada has no immigration or refugee desk in Kuwait.

The Canadian Embassy in Riyadh currently takes two years to process its applications, but these refugees need Canada's help in two days.

When will the minister take action?

* * *

MACEDONIA

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, the Prime Minister's meeting with President Kiro Gligorov caused great concern to numerous Canadians of Greek origin until they were informed that this was not an official visit to exchange views on international development.

[*Translation*]

I would like to take this opportunity, Mr. Speaker, to assure Canadians of Greek origin that the Government of Canada is responsive to the concerns they have expressed. Mr. Gligorov was in Canada on a private visit and his meeting with the Prime Minister was not considered an official visit.

[*English*]

I would like to assure Canadians of Greek origin that Canada will continue to work toward a peaceful resolution of this crisis. As well I congratulate the Prime Minister on his efforts.

* * *

[*Translation*]

NATIONAL NETWORK FOR RESEARCH INTO TOXIC SUBSTANCES

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, Ottawa has decided that the headquarters of the national network for research into toxic substances will be located in Guelph, Ontario. Montreal, however, is the main centre for research in an area that is also part of the Quebec Government's industrial strategy. Even Minister Landry, who announced the decision in Montreal yesterday, was not able to explain this preference. The explanation is that last year, Ottawa spent 51 per cent of its research and development budget in Ontario and 18 per cent in Quebec. Some people said at the time that Ontario had better facilities, which is hardly the case here.

The federal government's decisions consistently ignore Quebec's development strategies. We saw this last year with Hibernia, and we see it now, to a lesser extent, with this decision. The truth of the matter is not the kind of wishful thinking we hear at constitutional conferences but the decisions that go against the interests of Quebec. Quebecers are fed up with empty words and hypocritical smiles. They realize it is up to them to defend their own interests.

* * *

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I rise today on behalf of the supply management farmers

in my constituency of Sarnia—Lambton in support of our government's continued pursuit of the strengthening and clarification of article XI of GATT.

• (1410)

Our federal government remains firmly committed to maintaining our supply management system and our marketing boards under article XI, as the supply management leaders have told us to do, and that is what we will continue to do.

For years, as a government we have accommodated the position of the supply management leadership. The decision to continue to negotiate for clarification of article XI is in their hands. We have supported their position right up to this date and we will continue to do so.

Our Prime Minister has taken every opportunity to make our position clear to the leaders of GATT member nations, including leaders of the European Community and U.S. President George Bush.

The representatives of our supply management industry and our government have made it very clear that the Government of Canada's negotiators are to stand firm with respect to having article XI strengthened and clarified. Our negotiating team is sticking to that position.

Our federal government has a strategy of consulting our supply management leaders with respect to the development of the GATT negotiations—

Mr. Speaker: The hon. member's time has expired.

* * *

CANADA POST

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, Canada Post has struck again. It has not been satisfied in closing hundreds of small rural post offices across this country, nor has it learned from its fight last year with the community of Mabou, Nova Scotia.

No siree. Now Canada Post has set its sights upon Petit de Grat, a small, thriving community in Cape Breton. The people there learned two weeks ago that Canada Post has decided that their post office must close. No consultation with community members, no reasons or discussions; only the most cursory of public meetings to review options after the fact.

[*Translation*]

The only option the community of Petit-De-Grat wants is to keep its post office open. I also want the post office to stay open, because as a meeting place it provides an excellent service to many customers, especially senior citizens and the handicapped. When will Canada Post and this government realize they are making a big mistake? When will they stop reducing services while raising rates? When will they stop abolishing essential services and start treating Canada's rural population the way it should be treated?

* * *

[*Translation*]

ECONOMIC RECOVERY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, according to an editorial today in *La Presse*, the kind of solution the opposition parties have in mind to deal with the present state of the economy smacks of outdated State interventionism.

Their solutions are half a century old, and they ought to know they will not work today. In the thirties, some kind of balance could be maintained by creating a deficit to fight the recession and subsequently working up a surplus to pay back the debt. Nowadays we do not start with a clean slate. The Liberal federal deficit is considerable, and we can no longer count on this pendulum action.

That is what appears to be happening in Ontario, where enormous amounts of additional funds have already proved insufficient. The same phenomenon occurred in 1982, when the Liberal government doubled its deficit from $14 billion to $28 billion and was never able to bring it back to its original level.

For the time being, the Leader of the Opposition with his economic recovery strategy, projects the image of a predecessor, not a successor to the Conservatives.

* * *

[*English*]

HEALTH CARE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, once again the issue of user fees has taken centre stage.

Yesterday the first ministers agreed to further consider the idea. I ask: Have the premiers and the Prime Minister forgotten recent history?

User fees in many disguises have been tried before but never worked. They are too expensive to administer and they entangle doctors, nurses and hospital staff in billings. They will shut hospital doors to the poor.

The World Health Organization in its 1990 report finds these fees damaging to over-all efficiency and equity, inefficient as revenue raising devices and do not decrease hospital costs.

The provinces are desperate for money after cuts in transfer payments. User fees are straws to be grasped.

The next step belongs to the federal government: protect the Canada Health Act, rescind Bills C-69 and C-20, renegotiate transfer payments, institute meaningful reform and once and for all end the federal-provincial showdown over medicare, a Canadian right of citizenship.

* * *

CANADA GAMES

Mr. John E. Cole (York—Simcoe): Mr. Speaker, today is the 25th anniversary of the Canada Games. The Canada Games have encouraged sport development and provided over 150,000 young athletes with valuable, competitive experience in Canada since the Games' inception in Quebec City in 1967.

Through participation in sport, young people learn many valuable life skills such as overcoming obstacles, remaining humble in victory and resolved in defeat.

Amateur sport is also important for character development requiring discipline, effort and energy to produce pride and a positive self-image. The most valuable lesson learned from participating in a sport is how to be a team player, how to be part of a group who are assembled or organized for a common purpose, and how to contribute your unique and distinct talents for the collective benefit of the team.

It is fitting that the memory of a very distinguished Canadian will be remembered and passed on to future generations of young Canadian athletes. Roland Michener's name will continue to be synonymous with a vibrant fitness and sport enthusiastic Canada through the Roland Michener Canada Games Award.

As we wish the Canada Games a happy birthday, may we all as Canadians remember you have to be a team player to overcome obstacles and to become victorious.

ORAL QUESTION PERIOD

[*English*]

BREAST IMPLANTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the minister of health. The minister will know that more than one million Canadian women can expect to fall victim to breast cancer. At the moment 150,000 Canadian women have had breast implants that they thought were safe and on occasion after occasion after occasion this minister and his predecessor have stood here in the House and said the Meme implant was safe. We now know that for at least five years that information was known to be false.

I want to ask the minister of health why he failed in his duty to protect Canadian women.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, what the Minister of National Health and Welfare and the department do is advise people of the assessments we make on any kind of medical device based on scientific research by experts in the department or elsewhere.

I worry when the member says today that the evidence is that the breast implant, particularly silicone breast implants, are not safe. I would like to ask the member if she has any scientific evidence to support what she said and to provide the evidence.

We are dealing with the health of women, yes, but we need evidence when we make that kind of statement.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in and of itself that statement merits the minister's resignation. The fact is when there is any shred of doubt, surely the balance of the responsibility of the government should fall on protecting Canadian women and not selling implants.

[*Translation*]

My second question is for the same minister. We know that 150,000 women in Canada are wondering today whether they are in danger of cancer. For car owners, a federal government system informs them of mechanical problems. Why does a similar system not apply to women about their own breasts?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I would first of all like to tell the hon. member that the government does not sell or fit breast implants, despite what she said at the beginning.

Moreover, Mr. Speaker, I think that any medical act, particularly implantation of a mammary prosthesis, is done by a physician, who is a responsible professional. The message we have always given is that if women have problems with a breast implant, they should see their doctor. We give the same message today. I must remind the hon. member for Hamilton East that she should know that the Meme implant was taken off the market in April and that silicone implants have not been available on the market since November.

[*English*]

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the same minister. This government might not be selling but they are certainly supposed to regulate.

I have spoken on many occasions in this House of Commons on the dangers of implants and silicone gel.

What in the world is going on here? I am not interested in what the minister might do. I am interested in what he and the previous minister have failed to do in this House. Will the minister investigate the product review process within the health and welfare research branch immediately? Will the minister take immediate steps to ensure an effective safety process, even secure reprimands where necessary?

• (1420)

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the Department of National Health and Welfare now has a review process not only for breast implants but for all medical devices. I repeat again that all medical devices, in particular those which are implanted in the human body for more than 30 days, are subject to an extremely serious process by the department, in co-operation with the companies, to ensure that the device can be used in a satisfactory manner. That is what we did and that is what we do. I repeat what I said: No silicone mammary implants are available on the market now to anyone.

* * *

[*English*]

UNEMPLOYMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would like to ask the Minister of Employment and Immigration a question on behalf of a constituent.

Mrs. Gina Pacciarotti is a 44-year old single mother with three children. Her husband passed away six years ago. After working for Cooper Canada for 23 years she was laid off over a year ago. Her UI benefits have run out and she is in a desperate situation.

What advice does the minister have for Gina Pacciarotti and the hundreds of thousands of other Canadians who are as desperate as she is?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I thank the member for raising an individual case in the House. I will be pleased right after Question Period to sit down with him and see how my department can be helpful.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my supplementary question is for the Minister of Employment and Immigration. Domtar Paper Mills at Red Rock in Nipigon announced yesterday it will close its paper machine in May. Over 400 workers will be laid off indefinitely. This government has done nothing to save jobs in this vital industry of Canada, the forestry industry.

What specific actions will the minister take to ensure that those 400 jobs will be maintained at Red Rock?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the department's industrial adjustment service consultants have already met with the company and the union to discuss the establishment of a comprehensive assistance program for these workers. An IAS agreement and committee are already in place.

Further discussions will also take place very shortly to determine what kind of additional help is required.

EIC and the company will be contacting the municipality in the near future to discuss the establishment of a community adjustment committee. We hope these measures will be helpful to the affected workers.

* * *

THE ECONOMY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

Yesterday the premiers sent a message to this government and to the Prime Minister that job creation must be a priority. One thing the government can do to create jobs is to change direction with the government's monetary policy.

A study by Informetrica, for example, states that this government's monetary policy since 1989 has added $5.6 billion to the deficit and cost Canadians 139,000 jobs.

The government has an opportunity to lower the deficit and create jobs by lowering the dollar. Will the Prime Minister direct the Bank of Canada to lower the dollar, to stop propping the Canadian dollar up to an unrealistic level?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the monetary policy of the Government of Canada has produced interest rates that are down 7.5 points from their high in May 1990. Interest rates today are at their lowest in almost 20 years. The inflation rate, which ran as high as 12.9 per cent for a period of some years in the early 1980s, in the last six months has been under 2 per cent and appears to be in that general 2 to 3 per cent neighbourhood next year. This is the result of effective monetary policy. These are the fundamentals that one has to get right before all of the job creation prospects can come to pass.

The provinces acknowledged yesterday—and I think, by and large, all of the premiers—that the concept of throwing borrowed government money at make work projects does not work, that restraint is very important and that co-operation among governments is very important. So I thought that yesterday's meeting was very constructive and helpful because it showed the governments of Canada working together to provide the kinds of durable jobs that Canadians need.

Hon. Audrey McLaughlin (Yukon): I have a supplementary question for the Prime Minister, Mr. Speaker.

I am sure the premiers would agree, as would the Prime Minister, that spending $30 billion a year on unemployment does not work either. It certainly does not work for those Canadian families who do not have any hope that there will be a change and that this government will begin, not to just have make work projects—nobody is suggesting that—but to create real jobs and build the infrastructure of this country.

[*Translation*]

An Informetrica study says that, without a change in policy, the economy will continue to suffer from high unemployment, minimal productivity growth, a high deficit and high taxes.

Will the government change its economic policy and put the country back to work?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the purpose of monetary policy is to have lower interest rates, lower inflation and a strong currency that is respected throughout the world.

The fact is that we are achieving these goals and it is important to note that as inflation falls the value of the dollar goes down. It has lost 4.5 cents in recent months, I think.

It is generally accepted that the results of the monetary policy pursued by the government and the Bank of Canada are beneficial. We have a serious problem, of course, in job creation. But starting from this base, which is quite strong and impressive, all levels of government are now able, with the private sector, to create lasting employment and that is what we want to do.

[*English*]

Hon. Audrey McLaughlin (Yukon): The fact remains that 1.5 million Canadians are out of work and that tens of thousands have given up looking for work. That is the reality of this government's monetary policy.

Yesterday the Minister of Employment and Immigration stated in the House that there were 300,000 jobs available in Canada but that we did not have the skilled workers. My question for the Prime Minister is this: Just where are the 300,000 jobs? If it is the case that they are

lacking skills, why has this government cut back on skills training, cut back on education?

Will the government in this next budget show that it is investing in a skills training program so that the laid-off workers can get those 300,000 jobs?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I carefully stated yesterday that this 300,000 figure is our interpretation of the help wanted index.

All the hon. member would have to do is travel across Canada, talk to employers and she would understand. She should also ask herself why she opposed the amendment to Bill C-21 which has seen training money going to unemployed Canadians, rising from $1.2 billion to $1.8 billion this year. That is for Canadian workers.

* * *

EMPLOYMENT

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Northern Ontario has long suffered high rates of unemployment. As a result of this, many have exhausted UI claims and are now on social assistance. They are no less unemployed than those receiving UI benefits and yet no retraining through UI is available to them.

Will the minister consider integrating programs so that all unemployed have equality of access to retraining programs and UI?

• (1430)

Hon. Bernard Valcourt (Minister of Employment and Immigration): I will not use the word pathetic, but I remember this Liberal Party of Canada opposing the amendment to C-21, the Unemployment Insurance Act, which would have allowed this government to give unemployed workers exactly what the member is now asking for, that is training. We have in place programs worth $1.8 billion that allow for the training of the unemployed this year.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is also for the Minister of Employment and Immigration. Young people's hopes of finding their first job are dimmer every day. Young Canadians such as Anna Nozza of Saint-Léonard want to work in order to contribute fully to our society.

Can the minister ensure this House and young Canadians that a training program to help young people find jobs will be introduced in the next budget?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, being from Quebec, the hon. member surely knows how enthusiastically my provincial counterpart, Mr. Bourbeau, implemented training programs for those young people in that province, which we support with the federal programs.

If the Liberal Party is asking me today whether I will go to Quebec and set up a new training program, the answer is no, I am not prepared to do that. However, I am prepared to continue to have discussions with Mr. Bourbeau in order to see how the Canadian Jobs Strategy can best serve the interests of young Quebecers.

* * *

[*English*]

AUTOMOBILE INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, since free trade, Canada has lost 40 auto parts plants and 19,000 auto parts jobs. Given this government's dismal record under its trade deal with the United States, can the government assure us today that it will not give away even more auto parts jobs under the coming deal with the United States and Mexico?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think the hon. member is talking apples and oranges. He is linking the free trade agreement to the auto pact. He knows that the auto pact was not a part of the free trade agreement. There is a problem today with the North American market for automobiles. The production of automobiles is down in the United States because sales are down in the United States. In Canada, where close to 90 per cent of our production goes to the United States, those sales are down because of the lower sales in the United States. That is the problem, not the free trade agreement and not the auto pact.

Mr. Jim Peterson (Willowdale): Mr. Speaker, the minister has to get his head out of the sand. We have lost 49 auto parts plants, and they are not coming back.

Let us look at another aspect of this problem. The European Community is now debating whether by the end of this century Japanese automobiles will be either 15 per cent or 17 per cent of that market. Today in Canada, Japanese automobiles account for 36 per cent of our market. What concrete action is this minister prepared to announce today to ensure a fair level of Canadian content and Canadian jobs in our auto parts sector?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I would say to my hon. friend that we on this side of the House do not like to see those auto parts manufacturers disappear at all because that costs people jobs.

Mr. Peterson: Well, then act.

Mr. Wilson (Etobicoke Centre): My hon. friend should contain himself and wait for the rest of the answer.

In the negotiations that we are having with the United States, as I said yesterday in the press conference in Washington, one of the key considerations is the status of the auto pact. We are committed to ensuring the maintenance of the auto pact unless there is a better arrangement that we can put in its place that will improve the position of the Canadian automotive workers, whether they are in the parts companies or in the assembly companies. That is the objective we have set out. It is one of the things we held to firmly in our negotiations this weekend.

* * *

BREAST IMPLANTS

Ms. Dawn Black (New Westminster—Burnaby): I would like to follow up on an issue with the minister of health that has been raised many times in this House by my colleague for Mission—Coquitlam and by myself.

Yesterday Dow Corning was forced to release information on the safety of a silicone breast implant, information that it kept secret for over 20 years.

The minister refused today to ban these implants, saying that he wanted solid evidence that they were unsafe. He has received evidence from Dr. Blais of his own department who was dismissed from his own department for raising these concerns.

Dow Corning's own scientists have said that their actions were inexcusable and they made comparisons to the Pinto gas tank disaster and the cover-up around that.

Will the minister today stand up, give assurances to Canadian women, and ban the use of silicone breast implants in this country? Will he do that?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I repeat once again that there is no silicone gel breast implant sold in Canada today. It is very clear.

Second, the member talked about Dr. Blais. Dr. Blais was invited twice by his peers to make his point in front of experts to prove that what he said was right, and it was dismissed twice. If there is any evidence that Dr. Blais has which would be acceptable to other scientists in Canada, I would be delighted to agree with that.

The information released by Dow Corning yesterday was considered by our department. If there is any possibility that we were misinformed, I will act immediately. In the meantime, I repeat that breast implants are not available in Canada now.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, although there is a moratorium, silicone breast implants are in stock in doctors' offices. The minister does not know that they are not being used.

Will the minister now call for a full and independent inquiry into the approval process that was used by his own health protection branch for silicone breast implants in Canada?

He spoke earlier of an internal audit. That is not good enough. Canadian women deserve to know the process on how these implants were approved for use in Canada.

Mr. Speaker: The hon. member has put her question.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the Department of National Health and Welfare monitors all questions dealing with medical devices.

The hon. member should speak to her colleague from Mission—Coquitlam whom I met with last summer, along with other women. I informed them that the Department of National Health and Welfare would undertake a broad review of the system as it applies to medical devices. She and the others agreed at the time.

We are working on that file. As soon as information is available, I will provide it to her and to all Canadians.

* * *

AGRICULTURE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have a question for the Prime Minister.

In view of the fact that eight provincial ministers of agriculture, representing 88 per cent of dairy production in Canada and 81 per cent of poultry production, and at this point the majority of premiers, have signed a declaration in support of supply management and rejecting tariffication in any form, will the Prime Minister assure this House that he will support the premiers, the provincial ministers, and Canada's poultry and dairy producers in their cause to retain the best marketing systems in the world that have not required subsidies nor contributed to world surpluses?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have been doing this in excess of two years.

In regard to the questions raised we did not need, although we appreciated, the recent support of the provincial premiers. We have been in the forefront of fighting the case at the GATT in respect of article XI, its clarification, its strengthening. There has been no change in the Canadian position.

The minister of trade, the Minister of Agriculture, the Minister of State for Agriculture and myself have met with world leaders to press our case at the GATT and elsewhere. There has been no change in our position. We stand fully behind the Canadian producers in what we view as a most important, not only political initiative and economic initiative, but a social one inasmuch as it impacts very strongly on their lives. We want to defend them. I will be meeting with the farmers very soon in this regard.

• (1440)

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): On that same topic, Mr. Speaker, my question is for the Minister of State for Agriculture. The Quebec Minister of Agriculture signed a declaration supporting supply management as an agricultural system and rejecting any form of a tariff system. Can the Minister of State for Agriculture assure this House today that he supports this declaration from the Quebec minister and Quebec producers as being the *only* true means of safeguarding agriculture as it has been built up in the last 20 years within GATT?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I can assure my colleague that everybody was in agreement at the meeting of agriculture ministers held here in Ottawa last Thursday and Friday. Ministers from every province and the federal minister all agreed on the Canadian position. I should tell my colleague that I personally met Mr. Dunkel on several occasions, as well as the delegates in Europe and here in Canada, to reaffirm the Canadian position.

We are experiencing difficulties; that is a fact and we do not deny it. But the Canadian position was jointly with the Canadian farmers, and it is with them that we will continue to defend it. I urge my colleague not only to support the Quebec Minister of Agriculture but also the Canadian Minister of Agriculture who defends that position, because together we will be able to maintain the Canadian position.

* * *

[*English*]

TRADE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, United States congressmen have had an opportunity to review the consolidated document that represents whatever progress has been made toward an agreed text of the U.S.-Canada-Mexico agreement.

Will the government afford members of Parliament the same opportunity to review the document in response to the all-party call of more than a year ago "for close consultations with Parliament as the North American free trade negotiations proceed"?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, as my hon. friend knows, I will be meeting with the standing committee to discuss the NAFTA tomorrow.

I just remind him that there have been six reports tabled by the Government of Canada since July of 1991, up until the middle of last year, which set out a number of aspects of relevance to the free trade negotiations. We have had extensive discussions with the provinces, with the private sector through the International Trade Advi-

sory Committee, as well as the industry advisory groups on international trade. I will have some further things to discuss with my colleague, as well as other members of the committee, tomorrow to provide them with an opportunity to have confidential briefings, but I stress the word confidential because that is the basis on which the briefings have been provided to both the Americans and the Mexicans by their governments.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the reason why all parties joined in the request for closed consultations is to understand what specifically the national interests are which—and I use the minister's phrase in that regard—this government intends to defend in these negotiations.

Does the government hope, for example, to initiate improvements in the free trade agreement with the United States in such areas as energy, dispute settlement and, as he has just indicated, with regard to automobiles?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I have said all along, as has my predecessor, that if there are ways by which we can agree with the United States to improve upon the terms of the free trade agreement between the United States and Canada during the NAFTA negotiations, we will do it.

One of the areas that we—

Mr. Peterson: So it is up for negotiation.

Mr. Wilson (Etobicoke Centre): I would encourage my hon. friend from Willowdale to hold himself to his chair again. He is a little excited.

An hon. member: Or else what?

Mr. Speaker: Perhaps the minister could complete his answer.

Mr. Wilson (Etobicoke Centre): With such provocation, it is difficult, Mr. Speaker.

On the question of rules of origin, my hon. friend is very much aware of the difficulties of the interpretation of the rules of origin and the lack of clarity. That is one area that we are expending quite a bit of effort on that will help the automotive industry as well as other industries that are affected in a similar way.

* * *

[*Translation*]

MINING

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

The mining industry ranks fourth in the Quebec government priorities for regional agreements. It would not even qualify for a Canadian olympic medal, be it gold, silver or bronze. Will the minister give us the assurance today that the mining industry will take one of the first three positions, thus ensuring help can be provided to the Quebec mining industry as soon as possible?

[*English*]

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member knows, this has been part of the discussions between the Government of Canada and the Government of Quebec and principally led by my colleague, the Minister of National Health and Welfare.

I understand he is having a meeting with Madam Bacon next week. Hopefully, some progress can be made on that file at that time.

* * *

EXTERNAL AFFAIRS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Secretary of State for External Affairs.

As the minister knows, last week Anderson Mutang Urud, an internationally respected spokesperson for the Penan and other indigenous peoples of Sarawak, Malaysia, was arrested. He is currently being detained without charge.

Will the minister tell the House what action she has taken to express the very deep concern of Canadians about Urud's arrest. Specifically, will she send a strong message to the Sarawak and Malaysian governments that this detention of a spokesperson for aboriginal peoples and protection of the Sarawak rain forest is profoundly unacceptable to Canadians, and that Urud should be released forthwith?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, certainly, as the hon. member suggests, we are aware of the arrest and the detention at the moment of Mr. Urud.

We are attempting through our high commission in Kuala Lumpur to get to the bottom of what has happened, why he was arrested and what kinds of charges we might expect to be laid. When we have ascertained all the facts, I will determine whether any other action should be taken.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, it appears likely that Mutang Urud's arrest was intended to demoralize those Penan Indians with whom I met together with Urud last month who are peacefully maintaining a blockade to protect their rain forests from total destruction.

I want to ask the minister whether she will urge the Sarawak government not to move to violently dismantle this barricade as the government has threatened to do. Will she join the many, many Canadians in supporting the Penan Indian proposal for a biosphere reserve to protect this threatened rain forest?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, Canada has been very active on the subject of the tropical rain forests in Malaysia.

We do believe, of course, in a balance between the ecological and the economic values. We are working very closely with the Malaysian government bilaterally, through our development assistance programs.

We are the third largest bilateral donor and the largest per capita donor to their Tropical Forest Action Plan and we will continue to be very involved on that subject with them.

* * *

CANADIAN ABORIGINAL ECONOMIC DEVELOPMENT STRATEGY

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, my question is for the Minister of State for Small Businesses and Tourism.

It involves the issue of CAEDS, the Canadian Aboriginal Economic Development Strategy. CAEDS, as you well know, Mr. Speaker, is one of our more successful projects, a virtual unsung hero.

As a matter of fact, it has become so successful that a project backlog has developed. Some of my constituents have spoken to me, expressing some concerns in terms of the ability of aboriginal people to economically develop themselves. As a result, they have asked me to ask the minister what he is prepared to do about this backlog.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I thank my hon. colleague for recognizing the importance of this program.

It has in fact generated over 1,000 businesses on and off reserves across Canada. It is extremely successful. The applications were two and a half times greater than the previous program. Because of this, we have had to put in place a number of reforms to speed up the treatment of applications. I would like to tell my hon. friend that we now have a streamlined project approval system through regional boards. We have an expanded network of offices now for this program across the country and, finally, we are allowing some of the aboriginal organizations to work with the clients to speed up the process, all of this to help create jobs and entrepreneurship on and off reserves across this country.

* * *

• (1450)

JOHN CRISPO

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Prime Minister. John Crispo, a Tory nominee to the board of the Canadian Broadcasting Corporation, spoke recently in an inflammatory and irresponsible way about bilingualism in the Public Service, citing selective figures which he called, and I use his words, "staggering and devastating". Mr. Crispo implied that official bilingualism, and I use his words again, "is working against unilingual English Canadians getting high level federal jobs".

The fact is that 77 per cent of senior management jobs in the Public Service are held by anglophones.

An hon. member: And not one unilingual French.

Mr. Gauthier: Will the Prime Minister call Mr. Crispo, tell him that the impression he left with his comments is wrong, dead wrong, absolutely wrong? Will he ask Mr. Crispo to get his facts straight or keep his mouth shut?

Mr. Speaker: I have to advise the House that the question may be of significance, but it does not fall within the jurisdiction of the government.

Ms. Copps: It certainly does.

Mr. Speaker: The hon. member can put his question again and I will listen to it.

Mr. Gauthier: Mr. Speaker, he is an appointee of the government. Who the heck am I supposed to ask this question of? I am sure somebody took that decision.

Will the Minister of Communications answer the question since he is responsible for the CBC?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, your first comment of course is absolutely right, but I can say on behalf of the government with assurance that Mr. Crispo does not speak for the Government of Canada.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the people of Canada expect the commissioner of the Canadian Broadcasting Corporation, a Crown corporation, to take their mandate seriously which is to promote national unity and serve the interests of the Canadian people as a whole. I ask the Prime Minister again: Is he prepared to call his friend, Mr. John Crispo, and tell him to get his facts straight before making statements? Will he tell him that the facts—

[*English*]

Mr. Speaker: The hon. member for Glengarry—Prescott—Russell.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister. Last Friday, the Minister for International Trade admitted in this House that he had failed to prepare himself and to do an impact study of the Dunkel GATT proposals.

Will the Prime Minister please tell this House why his minister shows such wanton disregard toward Canadian farmers. Why is he not interested in the 100,000 jobs that could be at stake?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the question that the hon. member puts is similar to a question his colleague from Prince Edward—Hastings put yesterday, but they differ entirely from what the deputy leader of the Liberal Party in the House, the member for Hamilton East, said the government was doing.

We were criticized for seeking the co-operation of the supply managed groups before we even identified what tariff numbers could be found in the Dunkel text. After we had received their approval, we provided them with the numbers and said: "Will you agree with those numbers? Are they appropriate?" So far we have not had a response.

When we do that, the member for Hamilton East says that the government has changed its position. The government has not changed its position. If you wish to have an impact study, then I would like the Liberal Party to present that to the supply managed agency. If they request it of the government, we will work with them.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, no one should have to tell this minister to do his job. He should know on his own to do those kinds of impact studies.

[*Translation*]

I have a supplementary question for the minister. As he is no doubt aware, Canadian farmers do not want tariffs. On the other hand, they are very curious to know how much damage this government's proposals and Mr. Dunkel's will do. What specific measures will the government take to protect the farmers at the GATT negotiations besides telling us that it has no intention to even consider the damage it is itself causing?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, we must be careful not to try and score political points on the backs of our farm producers. I have recently met personally with people from the International Agricultural Trade Office, the UPA president and spokespersons for the milk producers. We have mutually agreed to exchange, at their request, information on the

figures that could be involved. However, no formal request for an impact study has been received because the Canadian position is to stay away from tarification, altogether.

We are advocating the strengthening of article XI. That is the Canadian position. It has not changed and it is obvious to me that we do not intend to change it.

* * *

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, my question is for the Minister of Transport.

The Supreme Court has said that the Minister of Transport was the decision-making authority in the Oldman dam case. The Minister of Transport would also be the decision-making authority with regard to possible changes to the Western Grain Transportation Act.

Given that the Minister of Agriculture has initiated cross-Canada talks relating to possible changes to the WGTA, has the Minister of Transport undertaken his responsibilities and initiated an environmental assessment process as the Supreme Court and the government's own guidelines have said he should?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the judgment of the Supreme Court was handed down a few days ago. We in the department have started examining the contents and the repercussions of this judgment on the involvement of Transport Canada in these matters.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, my supplementary question is for the Minister of the Environment. The Oldman dam decision is quite clear. It says that the environmental impact assessment was a planning tool that must be completed during the decision-making phase and it must take into account social economic factors.

Is the Minister of the Environment prepared to exercise his responsibilities for the well-being of the environment and advise the Minister of Transport of the full scale of his responsibilities, or is he prepared to immediately initiate an EIA of the proposed changes to the WGTA?

Hon. Jean J. Charest (Minister of the Environment): The decision of the Supreme Court of Canada in the case of the Oldman dam has far-reaching consequences, as the the hon. member will know. The Supreme Court seemed to say about the present guidelines that there are two elements that would kick in in an environmental assessment process: (a) a federal jurisdiction being involved and (b) an affirmative regulatory power. These conditions are cumulative. After that the federal government would be asked to act upon that.

We are still examining the consequences of this ruling of the Supreme Court. Once again, I think we have to realize that they are far reaching. We will examine the consequences and get back to the member as soon as we have a good idea of what we think our course of action should be.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of State for Agriculture. He just told the House that the government would never agree to a tariff system.

Will the government promise not to sign any agreement at GATT that would go towards a tariff system? Is the minister prepared to say the government will never sign any agreement whatsoever that would be a threat to the four pillars of Quebec agriculture?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I realize that members of the Bloc québécois would like to make some political capital out of all this. However, if they really want to scare Quebec farm producers and the dairy industry, perhaps the members of the Bloc would care to explain to farmers the risks involved in separation. Producers who have 48 per cent of our industrial milk quotas may wonder what happens to Quebec farmers after separation! I think that is a far greater threat, whose consequences are not even known, while at GATT our position is clear: to defend Quebec

farmerse and the right to maintain marketing boards in Canada. That is Quebec's position, but we do not know the Bloc's position on what I said just now.

• (1500)

Hon. Jean Lapierre (Shefford): I have a supplementary question, Mr. Speaker. The Minister of State for Agriculture has spent the last two years making a big show of saying there was no risk at all and that he was ready to put his seat on the line. Is the minister prepared to repeat today that he is ready to put his seat on the line if article XI is not reinforced?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, quite frankly, and I say this for the benefit of farm producers who may be listening, I think the issue is far too important for us to get into this kind of debate.

The important thing is for people on all sides of the House, including the Liberal Party and the New Democratic Party, if they are willing and the government, to rally behind Quebec and Canadian farmers, defend their interests at GATT at this vital moment in the talks and ignore these diversions that might expose farmers to far greater risks.

[*English*]

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I am not going to get into this present constitutional fight but thank you for allowing me to ask a supplementary question of the Prime Minister as a result of the question of the hon. member for Lambton—Middlesex.

A week ago the Prime Minister, in answer to a question on supply management said at page 6369 of *Hansard*, in answer to the same type of question, that Premier Bourassa has full confidence in the Minister for International Trade to negotiate the new GATT agreements, and he thinks that Quebec is better protected by the plan on which we are now working than with the present formula.

My supplementary question is this: In view of the answers from the Prime Minister, the Minister of Agriculture and the Minister of State for Agriculture that there has been no change and they are going to defend the present system, could the Prime Minister please explain the answer he gave a week ago, when he said that "Quebec and Canada is going to be better protected by the plan on which we are now working than with the present formula."

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the explanation is very simple. As I remember, it was a statement in *le journal La Presse* and that it was a direct quote from Premier Bourassa.

Mr. Speaker: I will take a point of order but I want to tell the House that I have a question of privilege which I have to get to.

* * *

BUSINESS OF THE HOUSE

Mr. Andre: Mr. Speaker, I would like to designate tomorrow, Wednesday, February 12, an allotted day.

* * *

[*Translation*]

PRIVILEGE

CRITERIA FOR ADMISSIBILITY OF QUESTION DURING ORAL QUESTION PERIOD

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I am astonished and rather shocked that I was unable to put my question to the government or at least to the minister responsible for the CBC.

I may refer the Chair to Beauchesne's Fifth Edition, citation 359, which reads as follows:

> 359. The Speaker expressed some general principles in order to clarify the regulations—

In other words, the guidelines to be used in asking oral questions in the House.

> "A brief question seeking information about an important matter of some urgency which falls within the administrative responsibility of the government or of the specific Minister to whom it is addressed, is in order".

Further on, at 359 (6), we read:

> (6) A question must be within the administrative competence of the Government. The Minister to whom the question is directed is responsible to the House for his present Ministry and not for any decisions taken in a previous portfolio.

My question concerned an appointment made by this government, I imagine by the minister, to the Board of Governors of the CBC.

[*English*]

—Here we have a person who has been named by this government, I take it on the minister's authority, to sit on a board which is responsible for CBC administration, CBC being the Canadian Broadcasting Corporation, a corporation dedicated to the unity of this country and a corporation dedicated, in my view, to explaining to Canadians the realities and possibly, even the duality of this country.

I received a statement yesterday which had been made by a Mr. John Crispo, a 1991 nominee of the government or of the minister to the Board of Governors of the CBC. I am trying to bring some light to this subject and some truth to these questions by having Mr. Crispo at least look at the facts before he puts out these damaging statements that he has made.

I want to read from the transcript of the *Majic 100* radio broadcast—

Mr. Cooper: Order.

Mr. Gauthier: It is important that you understand the facts or do you want to bury them? I heard a person call for order. The Speaker will—

Mr. Speaker: Just a moment.

[*Translation*]

I have some problem with the question of privilege. The hon. member for Ottawa—Vanier asked a question during Oral Question Period and that question was addressed to the Prime Minister. Unless I am mistaken, I thought that the question did not deal with government administration. Upon reflection, it may be so or it may not, but I still do not have the transcript before me. However, if the hon. member wishes, I can consider his position and I might be able to hear his arguments tomorrow. That being said, I do not believe it would be appropriate now for the hon. member to present arguments concerning all the details relating to the situation. Naturally, since the question is very important, the hon. member might consider it more appropriate to give me the opportunity to examine the precise question. Afterwards, I might be able to make a decision.

Mr. Gauthier: Mr. Speaker, I do not wish to pursue that issue. If you want to take the matter under advisement, it is up to you. However, I would like to state clearly that as members of the opposition, we have the right to ask the government questions on issues strictly related to the administration of this government. Again, I refer you to paragraph 6 of citation 359:

> A question must be within the administrative competence of the Government.

I believe that all members of the opposition now ask themselves what criteria apply, since, based on my understanding of it, we no longer have the latitude to ask the government questions. The Prime Minister is the leader of that government and if he sees fit to refer the question to one of his ministers, that is his decision, not mine. However, I do know, that it is not fair to leave a question unanswered today, because tomorrow we will not know if the questions we asked meet the new criteria just stated. With all due respect I find it difficult, Mr. Speaker, to understand your argument.

[*English*]

Mr. Andre: Mr. Speaker, I would like to comment on the point of privilege raised by my friend from Vanier.

The issue, Mr. Speaker, as I understood it, and I agreed with your observation, was whether the question was in order in terms of what is appropriate to be put in Question Period.

Historically this has been a period during which members sought information from the government about government operations. We know that it has expanded to a time period each day where members call the government to account for actions of the government within the competence of government.

• (1510)

What we have here is a statement made by an individual who is a member of the Board of Governors of a Crown corporation. Basically it was asking about the propriety of that question. It opens all kinds of questions, whether it is appropriate to suggest that someone in that capacity has no right to say things which are offensive. They have every right to say whatever they choose. It would be most inappropriate for the government to attempt to censor the comments made by anybody in that position. This on its face would make the representation inappropriate.

As to the representation whether the Prime Minister would call up a citizen to criticize the comments that he made in respect to this most important and vital issue, I would really question whether it is an appropriate submission or representation to be made in Question Period.

I would hope the House would allow the Speaker to follow his suggestion, that he be allowed to look at the "blues" to see whether it is an appropriate question for Question Period. In the meantime, I would not like the record to indicate in any way, shape or form that this government has identified itself with those comments, that Mr. John Crispo is speaking for the government or even the CBC. He was a citizen expressing a point of view, a point of view with which I do not agree if the quote is accurate. I am not suggesting that it is not, but sometime quotes are not fulsome in giving the full views of individuals.

It is not the position of this government or of any minister of this government. If there is a dispute with Mr. Crispo it should be handled by way of private conversations between the hon. member and Mr. Crispo, who is a private citizen and not a member of the government or someone for whom the government is responsible.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, first I would like to say that Mr. Crispo is no ordinary citizen. Mr. Crispo is sitting in a most important place at this time in our country. The statement he made is the kind of statement that got the hon. minister who just spoke in trouble with another party in his province.

Surely someone in this House should at least stand up and say what we think of his views, not privately. I personally feel insulted and I will tell you why. These statements are unacceptable. This country is going through a crisis and here is a man who is repeating exactly what is being said in Alberta. That code word. That is exactly what it going on in western Canada because I go there. These are the code words that are well understood by some people who say French is being shoved down their throats.

This is a very important question. Mr. Speaker, you were so concerned about the future of this country that you made a speech about your concern. We cannot allow these kinds of statements which are inflammatory and only confirm what individual people may think.

I have never said, as my colleague has said, that 77 per cent of senior public servants are anglophones, whatever anglophone may mean. I have never said how many unilingual French speaking people there are in the 23 per cent left. I could go across the country and say in French: There is not a single unilingual Canadian in the federal hierarchy who speaks French, there is not a single one.

[*English*]

We know there are none. I submit to this House that you will take that under your usual cool consideration and come back because we need an answer. We need an answer because we could talk for hours and ask what percentage of the people work in Agriculture Canada. How many people are working in Energy Canada? If *le Commissaire aux langues officielles* says 75 per cent, of course it is disastrous for English Canadians. It is terrible, but you have to express yourself in both languages if you want to work in the official languages office. To choose this one and excite people who are easily excitable these days is not in the good interest of Canada.

I think it was a genuine question from someone, somewhere, and you are the highest authority for the House. You will tell us the kind of rule we can use because we would like to know who will deliver that message. It will not be done in a private chitchat saying "Little naughty boy, you should not have said that. I hope next time you will act and behave better". We are not going to be satisfied with that. I am not going to be satisfied with that.

Mr. David Dingwall (Cape Breton—East Richmond): Yes, Mr. Speaker, while you are reflecting on the question of privilege raised by my colleague, and I certainly want to take an opportunity to check the record and review it very carefully, I do want to say something in support of the points which have been raised. The government House leader has alluded to the fact that the comments in question were made by a private citizen.

Not only is the member a private citizen, he is well beyond that. He occupies a position of some seniority in a very major and important Crown corporation in this country. He exercises responsibilities of both an adminis-

trative nature, as well as a quasi-judicial nature on the Board of CBC. I believe that, so it is just not—

Mr. Beatty: It was in order.

Mr. Dingwall: The minister will have an opportunity to stand in his place. He could have done it at Question Period.

Mr. Speaker: Just a moment, just a moment. I have listened very carefully to the hon. member for Cape Breton—East Richmond, the hon. member for Saint-Denis and the government House leader. I am now hearing the hon. member for Cape Breton—East Richmond.

The point is whether or not the question put, which I do not have in front of me yet in "blues" form, is seeking an answer which is within the administrative competence of the government. At the time I thought it was not. I have told the hon. member for Ottawa—Vanier very clearly that I would look at it and I would consider the situation. I may ask the hon. member for Ottawa—Vanier to address the Chair further, but we are now getting into another debate which goes way beyond the question that has been raised.

There are two issues here. Was the question within the orders? There is another question. As a Canadian I am as aware of the other question as anybody in this Chamber. I have my own views which of course I am not going to say here. We are all aware of the other question, but it is not the place to debate the other question.

I said in my remarks to the hon. member for Ottawa—Vanier that it was clear to the Chair that the question raised was serious and in fact very important.

[*Translation*]

However, I would ask all members to give the Chair time to consult the blues, and subsequently, perhaps it would be appropriate to come back to the House. For the time being, however, I don't think it would be appropriate to pursue the second question. The hon. member has the floor.

[*English*]

Mr. Dingwall: Just very briefly, Mr. Speaker. In determining whether or not the question was in order, it would seem to me that the Chair must determine whether or not the individual was a private citizen. I submit—

[*Translation*]

Mr. Speaker: Quite so. I am well aware of the position of this particular individual.

• (1520)

[*English*]

I know perfectly well who this gentleman is and probably so does every member of the House. I am going to be guided by the question as it was put because that is where I made my decision. That is my responsibility.

I would ask hon. members to co-operate with the Chair and allow me to come back to the Chamber and perhaps assist all hon. members.

Again I say to the hon. member for Cape Breton—East Richmond the importance of the second issue is not lost on the Chair.

Mr. Dingwall: Mr. Speaker, the comments which have been referred to by my hon. colleague directly affect the workings of the Government of Canada. Specifics have been made with regard to the Canadian Broadcasting Corporation, specifics have been made with regard to the Privy Council Office and the Prime Minister's Office which I would think come under the direct administration of the Government of Canada, namely the Prime Minister and/or the responsible minister.

Second, we are not asking that Canadians not have freedom of speech. The question was asked today to give the Government of Canada an opportunity to clarify a situation which those of us on this side of the House, and I would presume others, have some real difficulty in understanding the perceived and actual *de facto* linkages between the individual in question and the Government of Canada. That was the purpose behind the question.

Mr. Speaker: I have to do my duty. This is getting into a whole debate about the second question which I just described. There are a lot of members here this afternoon so that could go on all day. It is not appropriate for me to permit that.

I am going to do the very best I can and I think the very best is all that a Speaker can do under the circumstances.

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, I want to address the point that you raised because the essential question before the House is whether or not the question put by the hon. member was in order.

The government is held to account each day in Question Period for matters within its administrative competence and I come here every day prepared to respond to any question which is addressed to me relating to matters under my ministerial competence.

Mr. Speaker, I believe the decision you made was the correct one. What we had today was not a question but a representation that the Prime Minister should take such and such an action.

Second, Mr. Speaker, the fundamental question which you raised correctly is whether or not the issue that was raised relates to the administrative competence of the government itself. The answer to that is very clearly that it does not. The government is not responsible for—

Some hon. members: Oh, oh.

Mr. Speaker: The difficulty we are getting back into—and I appreciate that everybody is trying to help—is the very debate that I do not think ought to proceed this afternoon.

I have a question which is on the record. As soon as I see it I will take a look at it. I may have been in error, but I will take a look at it.

Mr. Dingwall: Mr. Speaker, before making adjudication will we have an opportunity to make further argument?

Mr. Speaker: I made it very clear that I will take a look at the matter and if I think it is appropriate that the hon. member for Ottawa—Vanier, who is the person who raised the question, should address the Chair further I will invite him to do so.

I thank the hon. member. We may have had enough for the moment.

GOVERNMENT ORDERS

[*English*]

PUBLIC SERVICE REFORM ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C–26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be read the second time and referred to Legislative Committee H; and the amendment of Mrs. Catterall (p. 6631).

The Acting Speaker (Mr. DeBlois): The hon. member for Kingston and the Islands as two minutes left.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am not going to be able to conclude my remarks in two minutes but perhaps after the amendment has been voted on I will get another opportunity to speak on the main motion and could complete my remarks.

The bill we have before us, as I indicated this morning, is unsatisfactory. Perhaps in the two minutes I could mention four of the particular problems that it creates.

Clause 10 states that job applicants may be evaluated according to a set of standards rather than to a ranking system in which one candidate is compared to another. In other words, we are abandoning the principle where we hired the best qualified person and replaced it with the principle of hiring a qualified person. In other words, you meet the standards, you get hired and it does not matter whether you are the best candidate or not. That used to be the test for hiring in the Public Service. The government is abandoning that. They are lowering the standards. That is not correct. That should not be done.

Clause 16 of the bill states that the commission may appoint someone to the Public Service for a period of up to 90 days and there is a further provision for an extension up to 125 days. In other words, there will be no examination, no tests and no benefits payable to these employees during this 90 day period. It is a *carte blanche* for the government to hire people and then rotate them around through various government departments without having them meet the normal qualifications or pay

the normal benefits under the act. That should not be the case either.

Clause 18 of the bill states that a deputy head of a department may decide on his or her own that an employee has abandoned his or her post and therefore is no longer employed. Previously when that determination was made the Public Service Commission had to hear evidence and make a finding. That is no longer the case. In other words, dismissals can happen if an employee is away for a period of time. The head of the department can decide that the employee has abandoned his or her post and dismis that person. There is no apparent dealings with the Public Service Commission in respect of that. Again the government is proposing unfairness, high-handedness and improper rules.

Finally, Mr. Speaker, and I see my time is about to expire, in clause 19 the government has provided that increased contracting out can take place notwithstanding a decision of the Federal Court of Canada which said that contracting out would not result in the discontinuance of a function. The government is now saying it is. It is circumventing the decisions of the court that were placed there in order to safeguard employees in the Public Service.

This bill is bad. The minister should withdraw it at once.

Hon. Bob Kaplan (York Centre): Mr. Speaker, like all my colleagues on this side of the House, I want to speak against this bill and indicate, as others have done, that the Liberal Party opposes it. It has the usual fancy and provocative and apparently substantial title, PS 2000, but on examination we find that it is an unacceptable bill.

The government has departed from a long tradition of moving forward changes in the law affecting the Public Service by some measure of consensus, some types of parliamentary hearings, and has failed. We recommend in this case that it return to that procedure and that a special committee of Parliament be established to consider the principle of the bill, as well as its substance in the total context of the so-called PS 2000 program.

If such a project were undertaken by the government it would be following the recommendation of the public accounts committee which was a recommendation made by the committee including its own members.

We want to indicate that we support the clauses of the bill that contribute to strengthening the Public Service and its ability to serve the public and improve labour relations. I was proud to see that my colleague, the member for Kingston and the Islands, emphasized this particularly in his closing remarks. We oppose the clauses of the bill which undermine the merit principle. He explained in some detail how this principle was undermined without adequate safeguards that destabilized the Public Service and discouraged the hiring and retention of highly qualified individuals. We also oppose the clauses of the bill that reduce accountability. We have substantial amendments to propose to the bill which we will do at the right time.

• (1530)

There are many problems in this country and so many of the causes can be put down to simple mismanagement by this government. In one file after the other, government mismanagement has taken a country with so much going for it, with such a determination to stay together, and virtually brought it to the verge of destruction.

This government's mismanagement of the Public Service has caused the first ever massive walkout of public servants in the history of Canada. It has brought the morale of the Public Service to an all time low.

The harsh and arbitrary treatment is causing a loss of competent people. The management of its own employees is incompetent in a time of change. If it cannot manage the Public Service we should not be surprised to see that the larger issues—the constitutional issue, the tax issue, the federal-provincial relations issue the survival of the health care of Canada issue or the university issue —are mismanaged.

It has asked the Public Service to do more with less but now the message is clear, to do less with less, and the Canadian public is suffering as a result.

We not only encourage the government to abandon this procedure and establish an all-party committee to examine the reform of the Public Service, but we also ask it to listen to members of the opposition and to public servants themselves on the reform of the Public Service.

This has not been done. The Public Service as a source of advice and opinion has been shut out and whatever advice has been forthcoming has been ignored, just as the views of Canadians on the GST were ignored, just as the views of the poor in tough economic times when the cap was put on the Canada Assistance Program were ignored. Just as senior citizens were betrayed by this government so were the public servants.

The approach has been high-handed and dictatorial. PS 2000 has proceeded on the basis of top down, heavy-handed dictates that are outdated and do not work. The idea of the old theme, "let the managers manage" is a 1962 theme from the Glassco commission. We are now living in 1992. We are seeing the dismantling of another of the institutions of our nationhood. Just as VIA Rail, Air Canada, mail service, the CBC, Petro-Canada have helped build Canada from coast to coast, the Public Service has provided services to Canadians wherever they are and carried out the will of Parliament in all corners of Canada.

The enormous increase in the use of contracting out, a form of privatization of the Public Service and the use of short-term employees have all contributed to diminishing services and the weakening of the Public Service as an instrument of public policy.

Our party believes that Canadians deserve to have accessible, quality services delivered efficiently by a professional, non-partisan Public Service that treats all employees with respect and fairness and is responsive to the needs of Canadians.

The Liberal Party is committed to the partnership between the public sector and the private sector and to the partnership between the government and its employees on whom it relies and should rely for policy advice to carry out the programs, services and regulations mandated by Parliament.

The Liberal Party supports the revitalization of the Public Service to better allow it to adapt to rapid change, to create an environment in which employees can be creative, innovative and adaptable to changing needs of its clients and the nation and to attract and retain competent, dedicated employees.

We believe that change can best be managed in a climate of mutual trust, co-operation and consultation with its employees, including respect for basic collective bargaining rights.

We are committed to the accountability to Parliament and to the public for both the use of human and financial resources.

[*Translation*]

Today we have seen an example of the government's disastrous approach to problems in the Public Service. During Oral Question Period—Mr. Speaker, I can assure you I do not intend to discuss a ruling the Chair has yet to make, but it so happens to be what we are discussing today—there was a reference to the appointment of Mr. John Crispo to the Board of Governors of the CBC. In his comments Mr. Crispo attacked an aspect of the Public Service and more specifically the aspect of being subject to the Official Languages Act.

The government, did not answer right away. It knew what Mr. Crispo said since it has the same access to the media that we do I would have expected the government to respond during Question Period. If that is against the rules of the House, it could at least tell Canadians what it has done to counter Mr. Crispo's comments and tell the truth about the Official Languages Act and the impact it has within the Public Service. But, no, it tried to avoid a response. Maybe it has a right to do that. The Chair will rule at the appropriate time. However, even if it cannot give an answer here, it can at least tell Canadians.

I see I am running out of time, but I must say, this is a perfect example of the government failing to protect our national institutions and the Public Service against remarks that are not true and that attack the government's policy, a policy it even defended in the answers it gave. I hope whatever the Chair's ruling will be, that the ministers will find a way, either here or outside the House, to correct the position taken by their appointee, Mr. John Crispo.

[*English*]

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I rise today on the motion that Bill C-26, the Public Service Reform Act, receive second reading.

The Public Service exists to serve Canadians by delivering to them the programs of the Government of Canada and to assist ministers in devising effective policies and programs necessary for the good government of Canada.

I am sure that members of all parties support the fundamental principles for renewal of the Public Service set out in the 1990 report entitled *Public Service 2000, The Renewal of the Public Service of Canada.*

Seldom in our history has a program of organizational change been undertaken of the scope and magnitude of PS 2000.

Bill C-26 would provide a necessary underpinning for many of the PS 2000 reforms. It is a valid and reasonable package of amendments which deserves, in my view, our support.

I trust that we can debate this measure in a constructive and non-partisan manner that will help build a better foundation for Canada's Public Service.

[*Translation*]

The legislation by which the Public Service is currently governed goes back 25 years, and a review was necessary. Over the years there have been several proposals to reform the Public Service. There was an exhaustive review of employer-employee relations by Jacob Finkelman, in the mid-seventies. We had the d'Avignon committee in 1977. There was the Lambert committee in 1979, and recently several Auditor General reports made reference to the need for reform.

• (1540)

In his latest report the Auditor General sounds very favourable to this initiative. In spite of some reservations about the accountability framework, I think he can easily be reassured on that.

[*English*]

In addition, members will be familiar with the 1990 report *Beneath the Veneer* which recommended that government should place more effort on achieving more equitable opportunities for employment in the Public Service.

The proposals of Bill C-26 reflect many of the recommendations made in these previous reports and, in particular, proposals specifically addressing employment equity issues.

In my view, it is now time to get on with enacting the necessary legislative base to implement the PS 2000 reforms required for the renewal of the Public Service of Canada.

[*Translation*]

I think that we sometimes take for granted the role of national institution played by the Public Service of Canada, which represents the country as a whole and is represented in every region of the country. As a matter of fact, 67.5 per cent of its employees work outside the national capital region, all over the country and the world.

The Public Service also reflects the linguistic duality of Canada as well as how important justice and tolerance are for the Canadian people. Moreover, it is pivotal to our parliamentary democracy. There is even a body, the Public Service Commission, created by Parliament to ensure that appointments and promotions are non-partisan and to prevent both political and administrative patronage.

Canada is not the only country in the world where the need for renewal is recognized. Others have already started to improve their public service in an effort to enhance their national and international competitiveness. Australia for instance has just gone through the gigantic task of simplifying classification, thereby reducing the number of occupational groups. In Great-Britain, the Prime Minister has announced the implementation of the citizens' charter which will make it possible to establish standards of service and to make civil servants more accountable.

In Canada, the renewal process undertaken by the Quebec government results from the amendments to the legislation governing the Quebec civil service since 1983. A legislative committee of the Quebec National Assembly has recently set out to assess progress up to now, and this should give a boost to this renewal attempt based essentially on the same principles as PS 2000. As for British Columbia, it has embarked upon an initiative to provide the public with better quality services.

[*English*]

Canada's future prosperity depends on competing successfully at home and abroad. The president of the Public Policy Forum, an organization that brings together business, labour, the academic community and government, has recently stated that the quality of the Public Service is a major factor in Canada's international competitiveness.

Canadian enterprises must be adequately supported by an outward looking, innovative and results oriented Public Service. Research has taught us much about what encourages high performance in human organizations, such as maintaining a client centred focus, involvement of employees at all levels in decision making, instituting a continuous learning culture, exploiting new technologies and striving for improved management skills.

For the Public Service this will mean many changes. There will be more delegation of authority to front line units, dismantling of unnecessary central controls and enhanced accountability. Above all, there must be a rededication to service to the public.

[*Translation*]

But not only the Public Service is in favour of the reforms contained in Public Service 2000, Laurent Thibault, president and director general of the Canadian Manufacturers' Association, said that he fully subscribed to this important exercise involving many issues. He said that the goals we had set of simplifying procedures, decentralizing authority and responsibility and increasing efficiency are exactly what major corporations do to take their place in world markets in the 1990s.

I would like to point out to hon. members that the idea of this public service reform came from within. Instead of the traditional inquiry presided over by an eminent person who considered the changes to be made, the Public Service itself decided to renew itself. Many public servants, at all levels, had a deep desire for change. They wanted a new management philosophy, not only new planning systems imposed by central agencies. In other words, what they wanted was a change of mentality in the organization.

One of the most important reforms of Public Service 2000, will be to reduce the number of occupational groups by about two thirds. Bill C-26 will amend the Public Service Staff Relations Act so as to spread this restructuring over several years. In particular, there will be a job evaluation plan that will be the same throughout the Public Service. This plan will be free of gender bias and be based on the provisions of the Canadian Human Rights Act concerning equal pay for work of equal value. Union representatives will of course participate in developing this plan.

In conclusion, this reform has been too long coming. It is now time to join our efforts so that the federal Public Service can help Canada achieve its national objectives, at least in the next decade.

[*English*]

It is my earnest desire that the bill receive third reading as soon as possible. I would urge that the committee report back to the House by the end of March. There will be ample opportunity to consider improvements to the bill and I am confident that members will put aside differences and take full advantage of this window of opportunity.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, in spite of the content of the legislation before us, I am still pleased to have an opportunity to address Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada.

I and my colleagues in the New Democratic Party oppose the bill before us, I think for very good reason. We are also pleased, however, to support the hoist motion put forward by my colleagues in the Official Opposition.

On June 18 of last year the Conservative government introduced this bill in the House of Commons. Known as the Public Service Reform Act, the bill proposes changes to a number of existing acts, including the Public Service Staff Relations Act, the Public Service Employment Act, the Auditor General Act, the Canada Lands Surveys Act, the Financial Administration Act and the Surplus Crown Assets Act.

The majority of changes proposed by Bill C-26 affect the Public Service Staff Relations Act and the Public Service Employment Act. This bill represents the first major revision to PSSRA and the PSEA since these acts first came into effect in 1967.

Many of the bill's proposed changes flow from the recommendations of the Public Service 2000 task forces and the subsequent report entitled *Public Service 2000, The Renewal of the Public Service of Canada* issued in December 1990. Very glowing terminology—the renewal of the Public Service of Canada.

It is therefore not surprising that Bill C-26 falls considerably short of its objective of reforming the federal Public Service. The PS 2000 exercise was notorious for its lack of meaningful consultation with federal Public Service workers and their bargaining agents. Hence the so-called reform of the Public Service is based almost exclusively on the beliefs, perceptions and objectives of senior government officials.

• (1550)

I have taken the opportunity over the last year, certainly the last few months, of discussing the entire PS 2000 initiative and its so-called consultative processes with a wide cross-section of federal public employees within my own constituency and other areas of British Columbia. The comments I made a few moments ago are based in large part on the comments I received directly from those employees, whether they be bargaining unit employees at the so-called lower levels, whether they are middle management or some of the senior management in that region. I stand by those comments in light of those conversations and in light of listening to a great many people who are among those most directly affected.

The bill sets out the government's agenda for the so-called reform of the Public Service. It follows on the recommendations made in PS 2000 last year. What this bill does, very briefly, is allow the government to continue to contract work out.

The government now spends in excess of $5 billion on contracting out. There is no accounting for this expenditure and no study of the cost effectiveness of contracting out despite appeals from many quarters to introduce that kind of financial and managerial responsibility and accountability.

For a government that has a budget the size of the annual expenditures of the Government of Canada to refuse to follow some kind of financially responsible policy before embarking on a major so-called reform of all the legislation affecting the delivery of public services by the federal government and its agencies is the height of irresponsibility.

For a government that claims to be fiscally conservative and financially responsible, it more than makes us wonder about the credibility of its claims.

The bill increases the unilateral discretion of managers in the deployment of staff. It provides mechanisms for increased evolution of managerial responsibility and accountability.

Finally the bill attacks the job security of public sector workers.

Just as important, the bill does not address the serious problem of low morale in the Public Service. It does not take a lot of wisdom to be able to detect in conversations with public employees from one coast to another the fact that there is a serious deterioration of morale in the federal Public Service in the last while. That stems not only from the inadequacies of the so-called reform process that has given rise to this bill, but many of the other policies that simply do not make sense. For instance, the long waiting lists for what used to be services such as UI that were carried forward with some efficiency, nowadays if you get one little hitch you are lucky to get your claim processed within two months.

Offices of members of Parliament from coast to coast, certainly in the province of British Columbia and most certainly in the interior where we have seen some juggling and centralization of some UI functions, have seen that deterioration of the morale not only of workers but the total collapse of confidence among the people being serviced and the ability of this government and its agencies to carry on anything with any modicum of efficiency whatsoever.

The bill does not do anything to modernize the collective bargaining process. The Public Service Alliance for instance will still not be able to bargain the issues of classification and staffing levels.

I have no direct experience as an employee within the Public Service of Canada, but as a long-time employee I do in the forest industry in British Columbia.

We devised a jointly negotiated and administered evaluation program covering some 50,000 people in the western most part of Canada a number of years ago.

When you have the very difficult task of evaluating job categories and job content, weighing and grading, and everything that is involved in any sophisticated process of evaluation of job categories and classifications, it is the height of lunacy not to attempt to carry that through on a jointly negotiated and administered basis.

Anyone who knows anything about anything in the labour force must realize that what causes problems in workers' minds is not so much how much they get, but how much they get for their labours in relation to what somebody working alongside them gets. The pecking order is what is important when it comes to people's feelings in industry, and it does not matter whether it is the private sector or the public sector. This government is absolutely nuts if it does not realize that and give up on any process that has to be as complex as this one in trying to do it unilaterally. It simply will not work and it will create one headache and one storm after another.

Some of the employees want to make staffing classification and deployment of staff bargainable. They want an adjudication process to hear grievances on the above and they want an end to contracting out of work.

Finally, in terms of the contracting out issue, in the forest industry of British Columbia we do not have major strikes very often. The two we have had in the last 10 years have been of two and four months' duration. It is interesting to note that both of them were over this exact issue of contracting out.

If the federal government wants a fight on its hands, a total breakdown in the efficient operation of the Public Service and ill will on the part of the population and its own employees, there is nothing better designed to provoke that kind of confrontation and breakdown than to insist on contracting out through some philosophy of sheer doctrine and sheer dogma.

The most dangerous kind of politician is the one who believes his own b.s., if you will pardon the expression. I for one am very afraid that is the kind of government we have. That is why it is dangerous and why this bill has to go. That is why this government has to go.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, as the representative to this House of a great number of public servants in Nepean, I am glad to add my support to the motion that Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be not now read the second time but be read a second time this day six months hence.

Nobody in this House will question the need for reform of the federal Public Service, and I think the minister has just said that. At present, Canada's Public Service operates according to legislation developed in the 1960s. Since that time, the business environment has changed substantially. Principles that were taken for granted 25 years ago no longer apply today. New words have replaced the old. Privatization and globalization, unheard of in the 1960s, are now on everyone's lips.

Certainly our Public Service needs a thorough overhaul to help Canada meet the needs of a new century.

Bill C-26, as it now reads, is not the answer. As the Liberal critic for human rights, I cannot help but notice how severely Bill C-26 treads on the basic employee rights that most people across Canada have come to expect in this day and age, the last decade of the 20th century.

Over five years ago, in 1986, this House implemented the Employment Equity Act. This legislation was enacted to ensure that no individual would be denied employment opportunities and benefits for reasons unrelated to ability.

In enacting employment equity legislation, the federal government realized that discrimination on the basis of sex, colour or religion would not stop unless laws were implemented to ensure that merit was the main guiding principle for hiring and advancement.

• (1600)

The government felt so strongly about this that by law it became a watch-dog to ensure that employment equity programs were put in place in all federally regulated businesses.

It is too bad this government sees no need to apply this basic right to its own hiring and advancement processes. There is an employment equity clause in Bill C-26, but it is so vague and weak that it is meaningless.

Bill C-26 states that the Treasury Board may request the Public Service Commission to implement employment equity programs. The Employment Equity Act is in place because for other organizations may is not good enough. What if the Treasury Board does not feel like implementing this kind of program? What if it decides that anti-discriminatory legislation is not cost effective?

The government insists that other employers must not discriminate. I insist that they must place the same responsibility on themselves.

This bill increases opportunities for discriminatory practices even further by absolutely removing the merit principle as the basic precept of hiring and advancement. According to the bill jobs will now go to a qualified candidate instead of the most qualified candidate.

Try as I might, I cannot think of a rationale for this clause other than a blatant opportunity to facilitate political patronage. What private sector employee would interview a number of candidates for a job and then choose the second or third best because that person was capable of doing adequate, if not very good, work.

The merit principle is already severely eroded despite legislation that demands it. What kind of Public Service will we have and what kind of morale will there be when all our government employees are second best?

At the moment some of the discriminatory practices allowed for in the bill would be controlled by the Public Service Commission. It was established in 1919 as the Civil Service Commission, to prevent management abuse and ensure fair treatment to employees, particularly concerning hiring.

The Public Service Commission will be transformed by this bill from a watch-dog to a lap-dog. Many of its personnel functions will be weakened or removed. According to the bill, the PSC will no longer have any role in the demotion or termination of employees.

That task will be in the hands of deputy ministers and the Treasury Board. Bill C-26 will deprive the PSC of any strength and independence that it now has. When Public Service Commission powers decrease the powers of the individual managers will increase.

I am sure that most managers in the Public Service perform to the best of their ability and do their jobs with integrity, but what of the ones who do not? The bill will give managers sole responsibility for so many personnel practices. Deputy ministers will hire and fire. They will deploy people as they see fit. There will be no means of redress.

The government has proudly asserted that deployment, although regulated by managers, will be voluntary. How voluntary will it be when deployment can be included as a term of employment?

By leaving the primary personnel responsibilities in the hands of individual managers, the bill will pave the way to favouritism on the one hand and harassment on the other.

The stated rationale by this government for this change in hiring policies within the Public Service is that simplification is needed. At the moment, it often takes as long as six months to fill a Public Service position.

The government claims that competitions are costly and time consuming. Yet only 12 per cent of the government's operating budget is devoted to personnel. There is no question that government hiring processes need simplification, but removal of the merit principle is not the way to achieve that result.

To fully ensure that Public Service employees will have absolutely no power, the government is also using the bill to enfeeble the unions.

Bill C-26 will deny the unions the right to negotiate such issues as classification and promotion. Perhaps even more dangerous, the government has appropriated for itself the right to eliminate the right to strike for certain people in certain positions.

Initially this action may indeed weaken the unions so that they cannot speak out against abuses within the system. However, in the long run it will create a monster. By designating significant numbers of employees as ineligible to strike, the government will place union control firmly in the hands of young, inexperienced and probably more radical employees. At the lowest rungs of the government ladder, with nothing to lose, these new leaders will have no reason to compromise with the government that put them in such an unfortunate position.

The bill will also severely damage job security. Contracting out has become commonplace. The bill would

allow managers to lay off employees because their jobs were being contracted out. A 1989 Supreme Court ruling stated that such lay-offs infringe on the rights of Public Service employees for fair opportunity for advancement. It looks like once again this government is saying: "Don't break the law, change it".

Over the past five years the number of term employees in the Public Service has risen dramatically. The bill would facilitate the hiring of casual employees without competition. This again would be a blow to the merit system. At the same time, these casual employees would receive absolutely no job security or benefits.

Finally Bill C-26 offers no protection to whistleblowers. In 1967 such a provision may not have been necessary, but it most certainly is now. In fact it was probably necessary then too but just not commonplace. A number of states in the United States have recognized the need for such a provision and this government has been given ample opportunity to understand what whistleblower protection is all about. Only last week a private member's bill was put before this House concerning whistleblowing. Only one member of this government could be bothered to speak to that bill, and he spoke out in opposition.

For the past few minutes I have indicated some of the many reasons the bill is not yet ready for second reading. I am sorry now to have to add that I am not surprised at the remarkable inadequacy of the bill.

If I were to make a pair of shoes I would most certainly have to consult a shoemaker and someone who sold leather. If the shoes were to be good ones, comfortable to wear and able to fulfil the needs of the wearer, would it not be worth my time to consult someone who wears shoes? From the outset of the creation of Public Service 2000, the government has excluded those people who will be most affected by this bill.

The unions were called as witnesses but they were given no role in the final creation of the bill. Both the Auditor General's report and the public accounts committee recommended the bill needed more work and should be studied. The government has chosen to ignore them. By excluding the unions and the public, the government has once again acted in bad faith.

There is one statistic that I must commend the government on. The government has proudly asserted that Public Service 2000 and Public Service reform is only 10 per cent about legislation. It says that 20 per cent is machinery, but the lion's share of 70 per cent is about attitudinal change.

I ask this government not to blast this atrocity into law. Let us roll up our sleeves and take this bill back to the table, to a special committee of Parliament. Let us consult thoroughly with those who will be affected by this bill, instead of destroying what could be a great institution. The Public Service could lead Canada into the 21st century with pride.

Mr. Benjamin: Mr. Speaker, since there is only one Tory here and it is too late for him to learn, I want to call for a quorum count.

[*Translation*]

And the count having been taken:

The Acting Speaker (Mr. DeBlois): There is a quorum. We will resume debate.

[*English*]

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the gentleman from Etobicoke—Lakeshore is raring to go these days. He wants to go to another party. We have a party in mind for him and are willing at any time to entertain his ideas. He should restrain himself for the minute, although I suppose if he is that anxious to come over I could forgo speaking. If he wants a few minutes to think about it, that is fine. I want to thank my friend from Regina—Lumsden for drawing a crowd for me. I owe him one.

• (1610)

Mr. Siddon: Get on with it.

Mr. Simmons: The Minister of Indian and Northern Affairs says: Get on with it. He has been talking to somebody. Oh, if he had only got on with it when he was in fisheries, we would be in much better shape these days in Newfoundland and Atlantic Canada.

My friend and colleague from Ottawa West has the solution to this bill. Give it the six-month hoist. Get it out of here until it is ready to come in here.

First of all, let us go to the motherhood issue in this bill. Do we need some renewing of the Public Service? Do we need to recraft legislation that has been in use for

30 years? The answer is yes. That is pure motherhood. Nobody on either side of the House argues that issue, that there is need for some updating of the mandate under which the Public Service operates. That is not at issue at all. It is characteristic of the way this government operates.

For example, when it was going to bring in the goods and services tax, it couched it in terms of replacing an admittedly bad manufacturers' tax. It gave the undertaking at that time that it would be revenue neutral. Therefore, all across this country, people in this House and elsewhere said: "Well, you cannot argue with that. That is pure motherhood. They are going to get rid of a bad tax and they are going to bring in a good tax in its place and they are not going to collect any more money". Well, you could not be against that or you would not be normal, would you? That is motherhood.

What went wrong along the way? What always goes wrong with this government? It says one thing and proceeds to do the exact opposite.

Take the free trade issue as a second example. There it came with the motherhood approach. "Canadians, would you like to trade more freely with your friends the Americans?" Well, the answer to that question is yes, because we have been trading about 85 per cent of our commodities for many, many years without a free trade agreement. Who could be against more trade which means more jobs and so on? That is the way it was put to us. Of course that is not what came out the other end of the pipe. It knew from the beginning that it was about to sell the shop.

I give those two examples in terms of tax and in terms of free trade where the government said one thing and did something very different.

There are many other examples, but in terms of my debate this afternoon, since I only have a few minutes, the third example in tandem with the tax issue which I have mentioned and the free trade issue is this particular bill, the so-called Public Service Reform Act.

The rhetoric on this says that everything is going to be sweetness and light if we could only get this bill through. That is what the President of the Treasury Board said a few minutes ago. They say that their goal is to eliminate a good part of internal red tape. Who could be against that, if that is what they are going to do?

Let us look at what the court said they are doing, because the court, fortunately, thanks to the union, has had an opportunity to have a look at the government's nicely stated objectives. Here is what the court had to say fairly recently, indeed within the last 12 days or so. On January 30, the Federal Court said that this proposal "departs substantially from the merit principle". Anybody who did not have a brass face, who did not have an absolutely brazen face would have withdrawn the bill as soon as the court said that and would have said: "Court, you are right. Court, we respect your finding", and they would have gone back to the drawing board.

This government has had many opportunities to do the right thing here. It has had lots of advice to do the right thing. The public accounts committee, an all-party committee of this House, told it last spring. Before proceeding with the idea of reforming the Public Service in such a massive way, however well intentioned that reform may be, the public accounts committee said: "Before you do that, before you take on this massive reorganization and restructuring of the Public Service, why do you not have a special committee of the House?"

Is this such a far-fetched idea, coming as it does from members of all parties, including Conservatives, who sit on that public accounts committee?

As if that were not enough, along comes the Federal Court in the last couple of weeks and tells the government that its proposal "departs substantially from the merit principle". The judge who made the ruling did not stop there. He went on to say: "It would be defeating the whole purpose of the Public Service Employment Act which is to ensure that appointments to the Public Service are made on the basis of merit".

Particularly since 1919 with the establishment of a Public Service Commission, over the last 73 years we happened to have in this country—and it is no accident—one of the best public services in the world. Why fix it if it is not broke? If we have a system that has served us so well, why tamper with it?

We only have to see how this government operates to see why. It is never comfortable with anything it cannot control. That is why it has taken offices that over the years have been above the fray like the secretaryship of the Privy Council, the most senior public servant, and it has made an effort to politicize the holder of that office. We have seen people like Paul Tellier, Derek Burney and

Norm Spectre being forced to be the apologist for this crowd.

One of the hallmarks of our bureaucracy, before this government took office, was that people such as those I have named and others were always above the fray. They gave advice to the government but they did not speak for the government.

We have seen that change, change for the worse. We have seen the public servant become politicized. Now we see the heavy hand of the government trying to institutionalize that politicization. We see it now say "it is not enough". It will not be required from now on that the individual applying for a job be the best qualified. He will just be one of the qualified people.

This opens the door. This opens Pandora's box to all kinds of abuse, to appointments on anything but merit, to flagrant patronage. It is not something we have had in our Public Service over the years and it is not something we should allow right now.

There are some good things in this bill. My colleagues, in particular my friend from Ottawa West, have already made reference to these.

We will oppose the principle of the bill at second reading because of the reasons I and other colleagues have stated. We do not oppose a reform of the Public Service. What we do oppose is this rating of the merit principle and a number of other issues that my colleagues will mention in debate. That is why we have been saying: "Let's not throw the whole thing out. Let's put it to a special committee".

My friend from Ottawa West in her wisdom has moved the motion which does not throw out as such, but buys time for this government on the heels of the court's decision, on the heels of the advice of the public accounts committee, on the heels of the advice by many dozens of members in this House, that this government come to its senses and push this issue to committee in order to get some advice and come back with a better crafted bill that will serve this country and serve the people who are part of a very magnificent Public Service.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Ottawa Centre—Immigration; the hon. member for Haldimand—Norfolk—Pork Industry; the hon. member for Don Valley East—Metro Toronto; the hon. member for St. Boniface—Education.

• (1620)

[*English*]

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I wish somebody would get up and organize a crowd for me because they do not seem to last long on the government side, with two exceptions.

I want to begin by saying that I have heard speakers from all sides of the House on this bill saying nobody is against reform of the Public Service. That may be motherhood to old members, but it is not to me unless and until the reform contains the maximum participation and involvement of representatives of the Public Service employees. If they do not have any say in that reform, they do not have much of a union.

There is an old saying by a very famous Welsh politician, made when he was inaugurating the National Health Services in Great Britain in 1945–46. All the Liberals, all the Tories, all the editorial writers, and all the experts predicted it would not work. It would be disastrous. All the people would be rushing to the doctors' offices and to the hospitals and abusing the plan, et cetera, et cetera. There were predictions of a public which would destroy the National Health Service before it got off the ground.

That famous Welsh politician, bless his Labour Party heart, made a statement in the House of Commons and in a little book called *In Place of Fear*. That was: "If you want to get the best behaviour out of people, the first thing you have to do is give them a chance to behave". If you want to get the best behaviour and the best service out of your Public Service, you give them a chance to behave. You give them the fullest opportunity to take part in any so-called reform of the Public Service.

I want to say something about contracting out because it has become a real growth industry in Ottawa and some provincial capitals. We have thousands of extremely competent people in our Public Service, both federally and provincially, who have such a variety of expertise and

training and learning and experience that they could take on almost any task one could imagine that a government, federal or provincial, could conceive it wanted to look into.

Since about the middle seventies, this growth industry has been really operating. If you were a middle or senior level civil servant or a senior official in a Crown corporation, you put in a minimum number of years to get your pension or get a nice fat buy-out on your contract. Then you started a consulting firm and you bid on all kinds of contracting out contracts. With the kind of contacts you have built up in the Public Service, in the government, former, present and future hopeful cabinet ministers and so forth, you are in there like a burglar. Contracting out is hitting $5 billion a year. The government will not give us any details. It will not even give details to the Auditor General.

There are some instances when you have to contract out, or you should. If, on the rare occasion there is no expertise or facility anywhere in the federal government service to look into a certain matter in which the government is contemplating legislation, one would have no choice but to contract out.

If your public servants, with their best expertise, come up with a report that you have some doubts about or you would like to have double-checked, you might put out a contract either to verify or dispel what your public servants came up with. That is another instance where it would make some sense to contract out.

The overwhelming majority of contracting out cases that have gone on could have been done just as well, I suspect, for less money; certainly not any more money than was being spent.

On the whole matter of getting the best behaviour out of people, you have to give them a chance to behave. When the government brings in legislation that flies in the face of other labour legislation, you are denying that principle about giving them a chance to behave. There is another world famous, internationally recognized, historical figure who made a statement well over a hundred years ago. He was questioned about activities of certain labour unions, and he was requested to take part in that dispute on the side of the employers. He refused on the following grounds: "You have to remember labour is prior and superior to capital and without labour capital cannot function". Stupid employers and stupid governments do not learn that at their peril, if they have not learned it.

Regarding arbitrarily defining job classifications, there is a mechanism in place already to do it with representation from government and employees' representations under the Canada Labour Code or before the Public Service Staff Relations Board. The mechanism is already there. If agreement cannot be reached between the government and the employees, the mechanism is in place.

We should not arbitrarily remove the ability of representatives of the employees to have a say, to negotiate job classifications and to define them. They should have a say in what the appropriate units would be for collective bargaining. If anyone knows quite a bit about an appropriate union for collective bargaining, it is a labour unionist. He would know just as much or more about it than the employer would.

On the whole matter of eliminating jobs in the public sector, some of that has gone on through contracting out. The government is not giving us all the facts, figures and details on the $5 billion it spent. It will not even give them to the Auditor General. One must be pardoned for being a little suspicious. The government can claim that it has frozen the Public Service, that there is a net reduction, or that the Public Service is no larger than it was a certain number of years ago. It has not told us how many people were involved in the contracting out, and who got paid fat fees. That is why it is such a nice growth industry in the Ottawa Valley.

• (1630)

This is part of collective bargaining. It is part of the kinds of rights that working people have earned. The bill is improper and inappropriate. I hope the government members will have some second thoughts about it, the three who are here, and withdraw the damned thing.

Let us not even bother having a vote on a six-month hoist. Just pull it off the table, send it over to a committee, ask it to look at it and report back.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I want to say today that I have had first-hand experience in dealing with the President of the Treasury Board on the item of Public Service 2000, having chaired the public accounts committee for three years.

I have a number of letters here that were sent to me by the minister at that time. I want to say that the Liberal Party opposes clauses of the bill that undermine the merit principle without any safeguards, that destabilize the Public Service, that discourage the hiring and retention of highly qualified individuals—and I do mean discourage them—and that reduce accountability, which is probably one of the worst of all. Everyone must be accountable.

We oppose the bill on that basis and we also oppose it on the basis that the President of the Treasury Board did not keep faith with the public accounts committee of this House of Commons. I will point out at what stage this happened.

On November 8, 1990 I tabled this recommendation and many more in this House from the public accounts committee. Item 17 of that report says:

> Your committee considers that there is a need to pause once the task force recommendations have been put in final form—

That is the task force recommendations, not the legislation. It continues:

> —before proceeding with the introduction of legislative amendments in the House. The process of Public Service 2000 must be changed to allow for meaningful and open consultation with greater involvement of front-line employees.

Our recommendation 18 was:

> Your Committee recommends that the Government give consideration to:
>
> (a) tabling a discussion paper prior to proceeding with the introduction of legislative amendments and/or administrative changes and that this discussion paper set out the principal conclusions and recommendations arising from Public Service 2000;
>
> (b) referring the aforementioned discussion paper to a Special Committee of the House on Reform of the Public Service and that the Special Committee conduct a consultation process involving employees, the Public Service unions and other interested parties and report back to the House within a reasonable period;

We wanted an answer from the government on this and other recommendations by November 30, 1990. On December 10 the President of the Treasury Board, with whom we dealt a great deal in the public accounts committee, sent me this letter which said in part:

> I am pleased to inform you that the Government will shortly be issuing a White Paper setting out its policy for the future of the Public Service. This will afford an opportunity for consultations with Public Service unions and other interested groups on this important subject, following which the Government would intend to introduce appropriate legislation.

He went on to say about the public accounts committee:

> I agree with you and your colleagues that it would be desirable for the Government's legislative proposals for renewal of the Public Service to be considered by a special House committee—

I repeat, by a special House committee. That was very clear indeed, and he says it right here in his own letter to me:

> I would intend to table a motion to that effect.

The reason I said the minister did not deal in good faith with the public accounts committee was that no special committee of this House was set up. The government simply barged through and did its own consultations and then turned around and put its own ideas in legislative form and brought in this bill, which we have before us today. He did not keep faith with what he put in writing in his own letter.

On January 25, 1991 I wrote to the minister about this very matter: "I am writing you regarding your response of December 10, 1990 which, by the way, I read to the members of the Standing Committee on Public Accounts". We were delighted that he was going to set up a special committee. "In particular, I would single out again the recommendation in our seventh report that a discussion paper be referred to a special committee of the House on reform of the Public Service. You clearly state in your letter of December 10 that: 'I agree with you and your colleagues that it would be desirable for the government's legislative proposals for the renewal of the Public Service to be considered by a special House committee, and I would intend to table a motion to that effect' ". I went on to say: "To my knowledge no such motion has been tabled".

On March 15, 1991 the President of the Treasury Board wrote this letter to me which said: "Thank you for your letter of January 25, 1991"—this came in almost two months later; it is the urgency he gave to the letter of January 25 that I appreciate—"on Public Service reform in which you asked if it was my intention to pursue a reference of this important matter to a special commit-

tee if the House leader's agreement is forthcoming. In my letter to you of December 11, 1990 I indicated that we would establish a special committee of the House to deal with the legislative aspects of Public Service 2000". There is a little catch word in here. It says: "to deal with the legislative aspects of Public Service 2000, the government's Public Service reform initiative".

We did not ask to deal with the legislative proposals. We as a public accounts committee asked to deal with a paper in which the government laid out its views and that the paper should be discussed by an all-party special committee of the House of Commons. That was not done. He is throwing in this legislative proposal here instead of keeping faith with his original letter.

The minister says: "I am pleased to confirm that it remains the government's intention to do so once we are satisfied that adequate consultations have taken place with interested parties on the legislative proposals required". What he is saying is again that it is the legislative proposals which he is going to bring forward to the House, not his original commitment that he was going to bring a paper before the House which could be studied by an all-party committee and in which all elements of the Public Service of Canada could have a hearing.

The government is dealing in high-handed ways with its public servants. That is why it had a massive walkout not very long ago; it dealt with the public servants as if they were secondary citizens.

We have a tremendous Public Service in this country and once you start destroying the morale, destroying the quality, destroying the invitation of bright, young people of this country to go into the Public Service because there is a challenge there, the Public Service of this country is going to suffer.

• (1640)

I have another one where the President of the Treasury Board wrote me a letter suggesting under what conditions his officials from Treasury Board should appear before the public accounts committee. The committees of this House have the power to demand that public servants and other agencies appear before them. Here we have the President of the Treasury Board, who is supposed to be in charge of government expenditures, saying that only under certain conditions should his officials appear before the public accounts committee.

Mr. Speaker, I see that you are giving me the high sign, but I just want to put these facts on the record. The minister has not kept faith with the parliamentary committee. He has rammed his legislative proposals into this House. He has still retained the capacity to contract work out. We were told by the public accounts committee that it had no records of how they were going to save money or how much money they saved by contracting out.

If you do not have any statistics to show how you are going to save money by contracting out then why are you standing in this House and saying that we save money by laying off public servants and contracting the work out? You have failed to prove that. In fact you say you have no statistics to prove it and you are still saying that you are saving money.

Bring back decency in the treatment of public servants. Treat them with decency. Give us an honest—

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member for Malpeque.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am pleased to have the opportunity to speak on this legislation, Bill C-26, the Public Service Reform Act. I must say at the beginning that I too will be voting against this bill on second reading. I feel it will have a negative effect on the whole Public Service and the way services are delivered to the Canadian people.

I am sure everyone in this House agrees that reform is necessary. The legislation under which the Public Service operates at the moment was passed in the 1960s. Certainly times have changed since then and we do need reform and new legislation. This bill before us today is certainly not the answer.

I am opposed to the legislation for several reasons. I know today my time is limited. In the time I have I want to try to outline some of the reasons why I will be voting against this legislation at second reading.

As our critic for this legislation has suggested, and I certainly support the suggestion, this bill should be sent to a special committee of Parliament and studied there in detail. During the study the groups affected by this

legislation should be consulted with a view to amending the legislation so it will better serve all Canadians.

The vast majority of public servants live in Ottawa, but in my province of Prince Edward Island we have the Department of Veterans Affairs which employs approximately 500 Islanders. Before too long we hope to have the GST processing centre in Summerside which will employ 300 to 400 people. As well as those two major government departments, we also have other federal public servants in my province.

Many of these federal government officials live in my riding. I have talked to many of them. I know they are really concerned about the legislation we have before us today.

Before I explain my objections to this legislation, I want to set out how we in the Liberal Party see the Public Service.

We believe that Canadians deserve a public service that delivers accessible quality services, is professional and non-partisan, treats all employees with respect and fairness, and is responsive to the needs of Canadians. That is how we in the Liberal Party see the Public Service. I must say that our party also supports the revitalization of the Public Service and we want to help public servants adapt to the rapid change.

As I said, the legislation it is operating under is old legislation. It is from the 1960s, and certainly there have been many changes in our country since then. We do need new legislation, but, as I said, the legislation we have before us today is certainly not the answer.

To sum up, we support a Public Service that is professional and non-partisan, that can provide Canadians with the high level of service they deserve for their tax dollars.

I am opposed to Bill C-26 because many parts of this legislation go against the principles I have just read. This legislation jeopardizes the merit principle in the hiring process because it does away with the competition process.

Right now, when an opening occurs, a competition is held and the person who gets the job is the person who finishes number one in the competition. This is as it should be, if we are going to get the best qualified people in our Public Service.

Under Bill C-26, when an opening occurs managers would only have to establish minimum qualifications for the position. In other words there is no competition. They can hire anyone who has the minimum qualifications. The best qualified candidate would not necessarily get the job.

It really disturbs me that we are talking here about legislation which could mean that in hiring for positions in the Public Service the best qualified person would not get the job.

For example, in my own province of Prince Edward Island, if the manager in one of the departments wanted to hire a lawyer who was a member of the Prince Edward Island bar, then he could hire any lawyer who is a member of the Prince Edward Island bar. It would not necessarily have to be the person best qualified. If being a member of the bar was the only qualification then the manager would have the leeway to do that. Indeed the manager could simply hire a friend of his.

I am against this legislation because I think it will open up the hiring process to abuse and favouritism. This legislation also jeopardizes the merit principle by changing the way employees are transferred within departments.

Right now competitions are held so that we get the best qualified person for the position. Under this proposed legislation that would no longer be the case. Managers would be able to move employees to any other position without regard to merit or other employees who may be equally or maybe better qualified.

• (1650)

If that were the case, what would happen to the morale of the Public Service if managers decided to favour their friends?

I have real problems with the government doing away with competitions for Public Service jobs. This is certainly not the type of system we want. I believe it will open the way in the hiring process to abuse and favouritism.

I know you have indicated that I only have a minute left, so I simply want to wrap up by saying that I will vote against this legislation at second reading for the reasons I have just outlined. I have a lot of other reasons which I do not have time to speak about today. Certainly, even

with the two I have raised, there has not been ample time to go into them in any depth.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, it is important to debate Bill C–26, because of the implications it will have on the Public Service. It is important to discuss it from a number of points of view.

One point of view is what it does not do, and the other is what it does do. This bill does not address the real problems within the Public Service of Canada but addresses some concerns the government believes it has because of its inability to treat employees properly in the operation of government service.

We have heard a good deal today about the discretion this bill will provide to managers. That sort of discretion will permit and even encourage favouritism to be used rather than merit in the operation of the Public Service. It is no wonder that the Public Service Alliance of Canada and the other unions and professional associations that represent workers in the Public Service are very concerned about the operation of this bill. They are very concerned about the rationale and motives the government brings to the introduction of a bill of this sort.

There are at least three major problems within the Public Service which this bill does not even attempt to address. If the government were serious about improving the Public Service and the lives of those employees within it, it would do something to address these concerns.

There is a serious problem of morale within the Public Service, as we have seen from the events of last summer and as all members of Parliament see when we meet members of the Public Service. This bill does not attempt to address the problem of low morale.

There is also concern out there among the employees and the public at large that the service rendered to the public has deteriorated considerably over the last few years. Those of us who deal with a large number of unemployment insurance claims in our offices, or with Revenue Canada, know that the period of time to deal with these issues has grown. In that period of time the lives of Canadians are affected in an adverse manner. We have problems with the deterioration of service to the public, not as a result of problems with the employees who are doing the best job they can, but because of continual cutbacks and pressure on the resources within the Public Service.

There are problems, as we have seen so vividly recently with the collective bargaining process within the Public Service. There are many issues which the Public Service Alliance of Canada is unable to bargain which would be the subject of collective bargaining were they not in the Public Service. They are reasonable matters such as job classification and staffing levels. Again Bill C–26 omits to do anything about this particular problem. Instead the bill encourages and allows the government to continue to contract out work, to continue to undermine the full-time employees in the Public Service.

The government now spends in excess of $5 billion on contracting out. There is no effective accounting for this expenditure and no cost study available to the members of the House on the effectiveness of this contracting out. It would appear to be more of a philosophical issue than a practical economic issue.

This bill does nothing to address this concern. Indeed, it allows the government to contract out even more, which is not in the interests of the employees in the Public Service or of the consumers of services provided by civil servants.

It also increases the discretion of managers in the deployment of staff. One big problem with giving managers extra discretion in the way in which they treat employees is that they will use favouritism rather than merit to address their concerns. One of the advantages of having firm rules with regard to promotion and allocation of jobs is that it cuts down on the opportunity for managers to pick and choose who will get merit, who will be deployed to certain tasks, and so on, on the basis of who they like rather than who will do the best job.

The discretion of managers, if administered fairly, is desirable. Within the Public Service at the moment, as we all know, there is an increasing distrust by the rank and file members of their managers and part of that is the frustration that gave rise to the events of last summer.

Rather than make sure that these decisions are made fairly and on the basis of clear rules, what this bill wants to do is enable them to be made even more unfairly and with more discretion.

Also this bill provides mechanisms for increased devolution of managerial responsibility and accountability. Rather than make those mechanisms more effective, it attacks the job security of public sector workers. One thing that causes more concern among workers, more concern in terms of their ability to do their job and their effectiveness and their sense of commitment to the work place and to their job, is uncertainty. To create more uncertainty in the Public Service is to do a disservice to the employees and their families and also to the Public Service itself and to those Canadians who receive those services. It does not help to make the lives of civil servants more insecure.

The employees within the Public Service who after all know their jobs better than anyone else, who know what is required within their frame of activity in order to effectively and properly service the public, have asked for very modest changes on the whole. They do not want this bill, they want to have the real concerns of the Public Service addressed. They want to be able, as they should, to bargain in the same way as they might in the private sector over such things as staffing, classification and deployment of staff, perfectly reasonable expectations that this government should respond to positively rather than throw out.

They also want an adjudication process which will appropriately hear their grievances on such issues as staffing, classification and deployment. Again, a reasonable request. Surely it is appropriate that their positions should not be changed, that their place of employment should not be changed arbitrarily, and that there should be some procedure for making sure that that was fair.

They want an end to contracting out for two reasons: first, it adversely affects their jobs, their opportunities for promotion and their security, not an unreasonable concern for an employee; and second, and more importantly, as they have voiced so often, contracting out has given rise to a deterioration in the service rendered to the public and very often sees duplication of costs, which has not given rise to savings. If the rationale behind the government's response for contracting out is that it saves money, it clearly has not done that and the government is not even prepared to prove the economic benefits or detriments of the scheme one way or the other.

We can only be concerned about the lack of openness on the results of any study the government might have made about the economic effectiveness of contracting out.

• (1700)

Once again this government is going after workers in the Public Service rather than trying to nuture their ability to do their jobs effectively. I think we would see clear support across this country, not only within the Public Service but outside, for opposition to this bill.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being five o'clock, pursuant to Standing Order 30(6), the House will now proceed to the consideration of private members' business as listed in today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

THE ENVIRONMENT

SUGGESTED AMENDMENT TO CONSTITUTION

Mr. Len Taylor (The Battlefords—Meadow Lake) moved:

> That, in the opinion of this House, the government should consider amending the Constitution Act to recognize the right of every person in Canada to a safe and healthy environment.

[He said: Mr. Speaker, to paraphrase the words of Saint Exupéry, we do not inherit the environment from our ancestors, we borrow it from our children. We have a responsibility, each and every single Canadian, to act as good stewards of our environment for future generations. This responsibility falls on us as individuals, how we act in our consumptive patterns, the choices we make on a day to day basis. This responsibility falls to us also at the community level, how we work together to promote a way of living and growing that maintains and enhances our environment.

This responsibility also falls on the shoulders of government, municipal, regional, provincial and federal.

No matter how we draw our political boundaries, the environment encompasses and transcends those boundaries. The responsibility of the federal government is more than the sum of its parts, the parts being mere historical, political creations. This includes federal ridings, cities, regions and provinces.

The air in my home riding of The Battlefords—Meadow Lake does not heed provincial boundaries. Poisons and toxins, if they are in the air, move from community to community, from province to province. CFCs spewed in the air from other provinces and even other countries impact on radiation levels and climate changes which affect all of us.

Effluents released into the water table and pesticides which are brought into the water table do not honour the provincial boundary, for example, between Saskatchewan and Alberta, which forms much of the western boundary of my riding. The water table was there before the creation of the provinces and will remain, we hope, long after. It is how we choose to act or not act which will determine just how we leave it for future generations. Mammals, birds, fish and plant life pay no heed to these boundaries. Disease and genetic damage impact interprovincially and internationally.

This environment, these biosystems we borrow from our grandchildren, require the federal government to play a strong role. As Chief Seattle stated in 1893: "Whatever befalls the earth befalls the sons of the earth. Man did not weave the web of life, he is merely a strand in it. Whatever he does to the web, he does to himself".

The motion before us today asks the House to recognize that the Constitution should be amended to recognize the right of every person in Canada to a safe and healthy environment. All Canadians are aware that our environment is suffering irrevocably in many ways. Families know that our children are inheriting a land that is diseased and weak compared to the one we inherited. We have not done a good job as stewards.

Governments continue to turn a blind eye to environmental damage in order to please and placate the efforts of big business to continue to drive down the costs, often made more expensive in the short term by environmental regulation and protection. The Mexican trade deal threatens to push our various levels of government even further in reducing environmental laws in order to compete with the joke that is Mexican environment enforcement.

Tracts of forests, one-third the size of Japan, are sold to Japanese industry. While our government joins the chorus criticizing the destruction of the Amazon rain forests, it assists the continued destruction of our country's own lungs, our rain forests and our boreal forests. The ozone layer smack dab above our own country has thinned to the extent that the environment minister has urged young children to stay out of the sun. What have we come to? Has the minister also decided that in the future he will urge young plants, animals and fish to protect themselves from the dangerous radiation levels caused through CFC production? Clearly this is a timely motion.

The federal government in its constitutional proposals has at the same time recognized the need to address the environment and put forward proposals which serve to further threaten the environment, belying our trust as stewards for future generations.

The Canadian Council of Ministers on the Environment says Canadians are making unprecedented demands on their government to preserve, protect and repair all aspects of the environment. The council also commissioned a study by Resources Future International, an institute for research on public policy, which found that almost nine in ten Canadians feel that their long-term health already has been affected by pollution levels in their area. Three-quarters of our population feels that pollution is a major cause of cancer. Perhaps most alarmingly, 85 per cent of the population considers pollution problems already serious enough to threaten the very survival of the human race.

In introducing the green plan, the Prime Minister stated: "Canada's natural development has shaped the development of our character and spirit. The challenge we now face is to build upon our economic strength in harmony with our environment, the basis of our health and our prosperity".

The recent decision of the Supreme Court of Canada on the Oldman dam further underscores the federal responsibility in environmental matters. The Supreme Court's decision stresses the federal role and takes a view of the environment which extends to include a community's livelihood, health and other social matters.

This motion, therefore, is most urgent as it provides an opportunity for the government to alter its current course as outlined in the federal government constitutional proposals. The current proposals would not only prevent us from moving forward as a country but would in fact be toxic to the growth of a mature and responsible attitude toward the environment.

While it is true that there is a proposal to recognize the environment in the Canada clause with a commitment to sustainable development, it is only a symbolic gesture which is empty in law and meaning. Put simply, it is unenforceable.

Proposal 22 would transfer to the provinces the authority for non-national matters which are not specifically assigned under the Constitution, hence the environment. This would further shoulder the provinces with the mantle of being pollution havens. Industry would be able to continue to offer up shop with the attractive spin-offs of job creation and related economic growth to the province most willing to ignore or reduce environmental standards. This would pose the same threat to the environment that the current free trade talks with Mexico pose, that of pollution havens.

Proposal 24 would transfer powers relating to forestry and much of energy, mines and resources to the provinces. The federal government has also set out in its constitutional proposals recognition of the exclusive jurisdiction of the provinces in the following areas and to withdraw from these fields in a manner appropriate to each sector. It outlines tourism, forestry, mining, recreation and housing.

The government also proposes to discuss with the provinces for the purpose of administrative and/or legislative delegation wildlife conservation and protection, transportation of dangerous goods, soil and water conservation. The proposal to guarantee property rights in the Constitution stands in stark opposition to the intent of my motion today, to recognize the right of every person in Canada to a clean and healthful environment.

It does not take a fortune teller to see big business dumping toxins no matter how foul into any water or land on its property, pointing to property rights as a defence for doing whatever it wants on its own property. Environment and communities be damned in a case like this. Further erosion of the federal government's power not only ignores the inherent transboundary nature of the environment, but it would severely restrict the ability of the government to participate in international treaties concerning the environment as well.

• (1710)

As my colleague, the member for Skeena, has stated: "This is a bottom line vision for the boardroom, not a survivor's manifest".

The constitutional proposal package offers a symbolic and unenforceable reference to the environment proposed for the Canada clause. It is nothing more than a cheap political effort to mislead Canadians into believing that the environment is a Conservative constitutional priority.

In fact the January 1992 all-party House of Commons Standing Committee on the Environment found many locations where the package undermines or handicaps avenues to protect or enhance the environment.

According to the Canadian Environmental Law Association, Canada may be the only country to have adopted or amended a Constitution since 1975 which did not include recognition of the right to a clean environment. More than 20 countries now have environmental rights entrenched in their constitutions.

We missed an opportunity in 1981-82 when the Constitution was patriated and before Parliament. We neglected the environment in the ill-fated Meech Lake Accord. We missed an opportunity just last fall when I proposed that this Parliament draft a bill of rights guaranteeing the environmental rights of all Canadians.

The federal government attempts to bypass serious environmental protection in the Constitution during these talks and it comes at a particularly bad time with the United Nations Conference on the Environment and Development slated for Rio de Janeiro in only four months' time.

The government's constitutional proposals would hinder our ability to play any significant role, much less a leadership role, in such areas as global warming, forestry, biodiversity, biotechnology, marine pollution, and fisheries.

To sum up, the current big business-federal government constitutional proposals stand to gut the federal

declaratory power; cut the federal role in wildlife conservation and protection; cut the federal role in soil and water conservation; cut the federal role in forestry; cut the federal role in mining; and frustrate any ability to play a leadership role in international environmental protection.

During times of economic recession, like those we now face due to federal economic and political mismanagement, levels of government are pressured even more to reduce environmental protection for its citizens in order to compete with these big business interests.

During the environmental Olympics, when levels of government are inclined to compete to cut corners on the environment and leap high for business investment, we must remember it is the people of Canada and the wildlife, plant and animal, for which we are stewards. That is really what this discussion is all about.

Entrenching in the Constitution the right to a healthy and safe environment is more than just words during constitutional talks. It is essential, absolutely essential for maintaining the integrity of the planet we are leaving to our children.

Ensuring every Canadian's right to a safe and healthy environment would realize a very, very substantial step forward. There are several leads which could be followed in this regard.

Just six days ago the leader of the New Democratic Party, the member for Yukon, announced a proposal for a social charter which would place in section 36(1) of the Constitution the responsibility of the government to ensure a clean environment.

The government of Ontario has recently initiated a task force on an Ontario environmental bill of rights which sets out to examine the public's right to a healthy environment; improvement to protection through improved court access; the escalation of public participation; whistleblowing protection; government responsibility and accountability for the environment.

The governments of Yukon and the Northwest Territories both have provisions to protect the environment.

The Northwest Territories adopted the Environmental Rights Act in 1990, providing environmental rights and allowing individuals to sue other individuals for contaminating the environment.

In 1991 the Yukon government enacted its Environment Act which provides that the people of Yukon have the right to a healthful natural environment allowing individuals to sue the government and other individuals if this right is infringed.

Support for my motion is support only for that which surely each and every member of this Parliament and every Canadian should expect, that the environment we all share should be safe and healthy. Implicit in this is a number of implications and assumptions.

We as individuals and as government have the responsibility to act to protect the environment. The Western Canadian Law Association in its October 22, 1991 brief to the Standing Committee on the Environment calls for a Canadian Constitution which acknowledges that Canadians bear a personal and collective responsibility to protect the local, national and global environment.

Ensuring the right to a safe and healthy environment involves recognition of what the West Coast Environmental Law Association calls the precautionary principle of environmental protection.

Gro Brundtland, chair of the World Commission on Environment and Development, stated: "I will add my strong support to those who say that we cannot delay action until all scientific facts are on the table. We already know enough to start to act and to act more forcefully. We know the time it takes from decision to implementation through practical effects. We know that it costs more to repair environmental damage than to prevent it. If we err in our decisions affecting the future of our children and our planet, let us err on the side of caution".

I also support the principle of polluter pays. Assigning financial responsibility for actions that have adverse environmental consequences is a principle of obvious importance in our market based society.

The federal government's current proposals for dealing with the environment in the Constitution are based on the very same principles that come into play in the free trade agreement, privatization, and deregulation.

These proposals are based upon the lowest possible wages, the lowest possible job protection and the lowest possible ecological standards. *Carte blanche* for developers and the short-term interests of big business bottom lines are the winners in the constitutional proposals, and not the environment that we are borrowing from our children.

As the Assembly of First Nations' brief to the Standing Committee on the Environment reminds us, the earth and its biosystems existed as a whole before humankind. European economic and political development commenced the true partitioning of land with various enclosure acts. Our way of looking at the environment to date is to try to package it into contrived political boundaries and play political football with issues too important to consider a game.

If we are to survive we must mimic the natural life systems of the earth. A Constitution must serve to divide responsibilities for the environment as the environment exists crossing politically created and redefined borders.

In order to recognize every Canadian's right to a healthy and safe environment, we need a strong federal role in international issues. Catastrophes such as deterioration of the ozone and global warming need concerted federal attention.

The federal government's proposals would lead us exactly the wrong way down a one-way street. The trend to provincial pollution havens implicit in these dangerous proposals must be reversed.

There is good reason for a strong federal role in the environment. The West Coast Environmental Law Association stated: "The environment is Canada's national heritage. Every Canadian has a right to have that heritage protected. It follows that every Canadian has a right to reasonable protection of all of the Canadian environment, and not merely the environment of the province in which he or she lives. It is important that the federal government set minimum environmental standards so that the provinces are not tempted to compete among themselves to attract industry by cutting environmental standards".

This call to recognize the right of every person in Canada to a safe and healthy environment is the first step in protecting that heritage, in honouring the trust of borrowing our environment from our children.

I ask the House for its support.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, let me begin by saying that I welcome this opportunity to discuss the hon. member's proposal. Indeed it is an important one.

• (1720)

It is an important one, particularly in light of the fact that the goals which the hon. member is seeking to achieve are indeed the same goals that the federal government is seeking to achieve.

Where we differ is with respect to the question of how best to achieve those goals. The hon. member, as you know, is proposing that we should establish and entrench an environmental bill of rights.

In our mind that is not the best approach for the preservation of the environment in Canada. We agree with him and I am sure all members of the House would join with me in saying that we share a common goal of striving to ensure that the environment be protected not only for this generation but for future generations.

We believe that his approach, and I know it is a view shared by others, would in fact fragment the environment because it would be based upon the assumption that the environment could be managed in isolation of its social and economic context.

I am of the opinion, and I believe it is an opinion shared by many in this House, that the best way in Canada both in the past and in the present for us to resolve our differences with others, to resolve the problems which are common to all of us is through a process of dialogue and co-operation.

In our minds the process of dialogue and co-operation first of all must include working in concert with other levels of government because it is very clear that they indeed have important roles of responsibility.

I think the judgment on the Oldman reaffirms the fact that the provincial government indeed has certain areas of responsibility. I might say in passing that I was pleased to see the Oldman decision reaffirming the philosophy of the government as practised in the implementation of

the EARP guidelines and certainly as proposed under Bill C–13 which will be coming back before this House in the near future.

We believe if we are to work towards the attainment of our common goals we must do so in co–operation with those same provincial governments, with their municipal governments, with business, with the employees of business, with environmental groups, and with the public at large.

We believe that the key to the achievement of sustainable development is indeed the establishment of important environment and economic links and partnerships.

We fear that an entrenched environmental bill of rights would have the result of undermining that proposed partnership between all sectors of society which we feel is required to meet the challenges posed by environmental degradation.

We fear that that would occur because we fear that it would lead to a confrontational approach to the resolution of problems rather than to a co–operative approach.

I accept and I understand that on occasion there must be recourse to the courts. I think that is an inevitable by–product of our legislative process and the manner in which we have accepted responsibility under the federal system for the various areas of governmental duty.

I firmly believe as well that if we can wherever possible avoid that recourse to the courts which sometimes leads to a confrontational approach, it is in our collective interest to do so.

We do not believe that we should in any way limit the flexibility of legislatures. We believe that in some cases the very high cost of litigation can actually serve to deter the rights of individuals to be a part of the process.

Speaking philosophically, I very much prefer a system of co–operation and partnership which accepts the fact that no single level of government, no single player in the process, has the sole responsibility for development and for the protection of our heritage now and in the future.

This government has begun working in the right direction as we have tried to establish a system whereby there is room for public participation. Indeed there is encouragement for public participation as outlined in Bill C–13.

We have begun to move in the right direction in establishing these partnerships and linkages. In doing that I accept the fact that the Canadian people, as demonstrated during the consultations to the green plan, are asking us as a federal government to accept the very significant role of leadership in that process.

I for one believe that we have a responsibility to act as Canadians have told us to do and to accept the responsibility of providing leadership and perhaps even a greater degree of responsibility in certain areas and other levels of government. But I am firmly of the mind that if we are going to succeed in the long run, it will not be because one level of government has attempted or achieved a greater degree of superiority over others. It will be because we will have worked out a philosophy in Canada whereby Canadians, irrespective of where they live or of which part of society they may be a part of, have come to the conclusion that it is in our common collective best interests to work together toward a common goal.

As a federal government, I am proud of the leadership which we have provided to date. I am proud of the green plan, the six year long–term strategy, the first of its kind in this country. I am proud of the financial commitment of $3 billion that has been made available for the implementation of that plan. I am proud of the fact that that green plan to a very significant degree is a direct result of a fairly extensive and, in the minds of some, perhaps somewhat laborious process of consultation with others. I am proud of the fact that the green plan represents, according to my calculations, a recognition of approximately 80 per cent of the plans and goals identified, proposals put forth by Canadians in this proposal.

I am pleased that prior to accepting my present responsibilities, the federal government put forth the Canadian Environmental Protection Act, which has put into place a system of clearly defined responsibilities, a holistic approach on the part of the government, an approach that accepts the need for nationally consistent standards of environmental quality.

I am pleased that with the presentation of Bill C-13 to the House, which will hopefully be coming before us for debate in the next weeks if not days, there is a system put in place where the public has a clearly defined role to play. We accept the fact that we are in a very real sense simply stewards on occasion acting on their behalf.

Some of the success of the strategy we have put in place is evident in the work of the Canadian Council of the Ministers of the Environment, of which the federal minister happens to be the chairman at the moment. Here I think you have good evidence of the ability of governments to work together, to put together national plans to prevent and reduce urban smog, to put together strategies to reduce packaging materials by some 50 per cent by the year 2000.

What I see operative in the activities of the Canadian Council of Ministers of the Environment is a common determination to address the problems at hand without worrying too much about who is responsible for what part of the process.

I would look as well to the unity proposal which is before us and to note that for the first time there will be reference in our Constitution to the area of the environment and to the concept of sustainable development, but indeed it will be part of a new section too, the very important Canada clause.

All of these steps in my mind are being achieved because we accept the fact that governments at all levels must work now and in the future, as we have begun to do in the past, with their counterparts elsewhere, and with all those players who are part of society.

I would note in closing that the problems which we face as Canadians are not necessarily unique to us as Canadians, and that has been very evident in the House these last few days with the attention being given to the question of the ozone layer.

I would say in closing that the type of co-operation and partnerships which I envisage being required are required of international partners as well. I simply close by alluding to the Montreal protocol, one of the best examples of the international community coming together. Initially there were some 25 nations that signed. I think the number is over twice that now, understanding as they do that internationally as well as domestically the solution to sustainable development is not necessarily found in constitutions or on pieces of paper, but in a desire and a strategy of working together by forming partnerships and linkages throughout Canada and throughout the world.

• (1730)

[*Translation*]

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, let me first of all thank the hon. member for The Battlefords—Meadow Lake for submitting such an interesting and very important motion to us. He has always shown great interest in the environment and with this motion today he is presenting a subject of the utmost importance because the whole country is interested in making Canada's Constitution the best for present and future generations.

I really want to thank the hon. member for The Battlefords—Meadow Lake for his initiative.

[*English*]

The intervention to which I just listened by the parliamentary secretary unfortunately was not very focused because of the fact that he used half of his time to elaborate on the government record, thus engaging in a neat and clever propaganda exercise.

He did, in all fairness, devote part of his time to the motion, but in his critique I wonder whether he really read the motion by the member for The Battlefords—Meadow Lake. The parliamentary secretary said that if such a motion were to be adopted, it would isolate the environment. It would undermine the partnership to achieve sustainable development. He said it would lead to a confrontational approach. Imagine, he envisages a confrontational approach from this motion. It will limit the flexibility of legislators who prefer a system of co-operation and partnership. I am paraphrasing the parliamentary secretary, of course, but I am pretty close to what he said.

He said that he wants to work toward a common goal. Then he elaborated as to why he is proud of the green plan and the government record. Well, we will leave that for another occasion.

The motion by the member for the Battlefords—Meadow Lake wants an amendment in the Constitution to recognize the right of every person in Canada to a safe and healthy environment. Mr. Speaker, I ask you wheth-

er a clause, a phrase of this nature in the Constitution, would have the effect of undermining partnerships to achieve sustainable development. That is absurd. I ask whether it would limit the flexibility of legislators. If anything, it would give legislators increased incentives, a goal to move toward because it is in the Constitution. What on earth is the parliamentary secretary trying to get across in rejecting this motion?

It would impede a system or a culture of co-operation and partnership. For heaven's sake, if such a right were in the Constitution, and since members of the business community, the labour community, government, and the political sector are all persons who have the right to a healthy and safe environment, you have here a cohesive, bonding reason for moving in that direction.

It seems to me that the more one thinks about it, this motion would actually help enormously to achieve the major strategic goals that the parliamentary secretary has in mind. I wish the parliamentary secretary had told us why he would not like to have such a proposal in the Constitution from a constitutional point of view. It may be because he has some well-reasoned arguments. To argue that sustainable development is in the proposal of the government for the Constitution is a fine and interesting exercise in public relations, but the way it is phrased in the proposals—and I am referring to *Shaping Canada's Future Together*— one must conclude that it has very little value in enhancing or protecting the environment. This is what the member for The Battlefords—Meadow Lake is trying to get across to us. His motive is to protect the environment.

What can we do and what can we say in this limited time? The notion of entrenching environmental rights probably dates back to discussions in the early seventies at the time of the Stockholm conference, that there are many ways of accomplishing this goal, that it can be done through an environmental bill of rights as many parliamentarians have attempted to do, including the Speaker of this House in the late seventies by way of amending the Constitution, as the member for The Battlefords—Meadow Lake is proposing, by amending the Charter of Rights and Freedoms, if you like, or by rigorous enforcement of good legislation—he did not say, but that is where the parliamentary secretary comes from and I have to agree with that approach definitely—or by the integration of the environment into economic decision-making. You could achieve it that way.

There are some who would like to amend section 7 of the Charter of Rights and Freedoms so as to make it read, and I quote: "Everyone has the right to life, liberty and security of person, and a healthful environment, and the right not to be deprived thereof except in accordance with the principle of fundamental justice". This insertion has been recommended by a number of constitutionally interested parties.

One also ought to recognize the work done by the Canadian Environmental Law Association when it appeared before the Ontario committee on the Constitution. They laid out a convincing argument in favour of a constitutional guarantee for a healthful environment as well, and also provided a clear definition of shared responsibilities that both the federal and the provincial governments have in relation to environmental methods. In their presentation they supported the proposal by Professor Gibson to amend the charter by creating a new section 15.1, 15.2 and 15.3, which for the lack of time I will not be able to read into the record.

The government proposals are really not filling the vacuum that exists around us. If you look at them, you find a commitment or a proposal in the preamble to the objective of sustainable development. We dealt with that a few minutes ago, which however is of very little value.

Then there is a proposal for the entrenchment of property rights in the charter, a measure which has been actually rejected by many organizations and individuals because it poses a threat to the environment, for years actually. Then there is a proposal to abandon to the provinces certain administrative legislative responsibilities in wildlife conservation, in transportation of dangerous goods, in soil and water conservation, which are counterproductive one must say.

As to the economic union that is proposed by the government, no mention is made of integrating the environment and the economy as part of their concept.

• (1740)

One must conclude that the true meaning of sustainable development has not really reached the level of the policy makers in Ottawa.

It is against this vacuum that the member for The Battlefords—Meadow Lake comes forward with his proposal, a novel idea which urges the government to do something about the situation.

When it comes to substance in an initiative of this kind, I find it very regrettable that the government, instead of being supportive and co-operative, finds it necessary to defend itself on record and use arguments which really do not stand up to close scrutiny.

[*Translation*]

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, I listened to the mover of the motion, the hon. member for The Battlefords—Meadow Lake, and to the Liberal member for Davenport, who both invited us to support a motion which I find most interesting, and which reads as follows: That, in the opinion of this House, the government should consider amending the Constitution Act to recognize the right of every person in Canada to a safe and healthy environment. One could only wish that this would apply every day and every second, especially when we consider the damage suffered by the environment and this planet throughout our history.

This motion deals with an issue that concerns us as Canadians. It also refers to a commitment we made, as a government, to help protect and preserve our natural environment, for ourselves and for our children. It is a responsibility that our government takes seriously, and I will give a few examples later on.

I believe that our current constitutional debate and our commitment to protect the environment reflect a concern to leave our children a country and a planet where they can lead a good life. I believe that through co-operation and dialogue, we will be able to meet the challenges facing us, both on the Constitution and the environment, as we are about to enter the 21st century.

I admit I support the lofty principles in this motion. And who would not? However, I must say it is not the best time in the world nor the best attitude one could take in the circumstances. What I mean is, Mr. Speaker, that adopting immediately a motion that urges us to enshrine this right in the Constitution would be putting the cart before the horse. After all, we have a constitutional committee that is about to suggest what to do and how to do it in the circumstances, among other things. I think we would do better to wait for the committee's report before we commit ourselves. In fact, I would prefer to mention the successful action taken by governments at various levels and by agencies and private citizens, who will make certain actions part of their daily lives. I am not sure this motion should be adopted, in the circumstances. Once again, I would prefer us to concentrate on concrete action such as government legislation.

So, I suggest that the best guarantee the Canadian people can be given as regards a clean and healthy environment is to direct our efforts toward sustainable development. The idea is to take into account the environmental considerations relating to each of our decisions and to account fully to the public for each of our actions.

Economic growth entails some environmental hazards—no one can deny it—because it draws heavily upon all our natural resources. On the other hand, we know that the growth of the economy depends on wise environmental decisions. As mentioned in the green plan, the environmental aspects have to be considered on a day-to-day basis and not in retrospect.

On December 11, 1990, we released our environmental action plan, namely the green plan in which we reiterated unhesitatingly our commitment to sustainable development because we firmly believe that a healthy environment is our surest guarantee for a strong economy. After all, we tend to manage our resources wisely in times when our economy is thriving. Economic growth also enables us to protect the quality of our environment by investing in the required pollution control and prevention infrastructures and technologies.

The green plan therefore challenges all Canadians—men and women, individuals and governments, First Nations and NGOs—to work together toward achieving our environmental goals.

This reminds me of the collective effort the green plan calls for, as illustrated by the following example. The finest of names can appear on the door of a restaurant or a business or on a sign, but however enticing the name, it does not tell much about what you will find inside. Personally I prefer going in and checking for myself what the food is like without paying too much attention to the sign. However great the merits exhibited and the wishes formulated in public, so long as we do not suit the action

to the word and do no follow through, we will not necessarily foster this kind of co-operation.

Mr. Speaker, sustainable development cannot be achieved unless government leads the way, all the way down the administrative ladder. Sustainable development must be an integral part of our daily lives and sustainability must guide all our decisions. For that, we must involve people at the grass roots and bring these virtues and values into principles. The government is determined to fully consider the environment in evaluating projects and policies. This is the idea behind the reform of the federal environmental assessment review process.

You see two things that this government has done: the green plan and the proposed legislation on the table, Bill C-13. They call for action and show this government's convictions and virtues.

In addition, Mr. Speaker, I would like to remind you that our government has given much greater importance to the role of environment minister, so that environmental issues take the high priority they deserve in federal decision making. Furthermore, our government has set up a Cabinet Committee on the Environment, whose mission is to carry out our ambitious environmental program and to ensure that the government's policies and programs fully comply with our environmental objectives. The Minister of the Environment is also on the very important Priorities and Planning Committee of cabinet.

• (1750)

All this is to tell you again, Mr. Speaker, that the actions, regulations and responsibilities assigned to the various decision-making levels in the federal government attest to these convictions. The ministers and legislation like C-13 are a good illustration of it.

In conclusion, I want to say that this is the position taken by the government, to make the environment minister an influential member of Cabinet and to give him the instruments he needs to carry out his mission and allow Canadians to judge whether or not the government is doing a good job of meeting its objectives.

That is what I wanted to say to you, Mr. Speaker. I see that my time is up.

[*English*]

Mr. Garth Turner (Halton—Peel): Mr. Speaker, it is a pleasure to say a few words about the motion of the hon. member. I know he is a sincere member of this House and I think his motion is put forward in all sincerity. It is useful to review it:

> That, in the opinion of this House, the government should consider amending the Constitution Act to recognize the right of every person in Canada to a safe and healthy environment.

On the surface I do not think there are too many Canadians who would say the hon. member was off base in putting forward a resolution like this one. It has a lot of merit to it. I think it has a lot of depth to it and I think it should be reviewed seriously.

I guess if I might make a criticism of my colleague I would say the temptation is large right now for Canadians to make the Constitution into some kind of a shopping list for all the good things we might want to have in our society.

We saw this in the last few weeks in the constitutional conferences. This last weekend in Toronto we heard aboriginal leaders say that they would like the Constitution to say that they are a distinct society. We have certainly heard Bob Rae, the premier of Ontario, arguing that the Constitution should contain a social charter. We have heard the National Action Committee on the Status of Women and Judy Rebick say that the Senate should be restructured so that it is gender specific, that there are certain seats set aside for women, for example.

I have been advocating that the Canadian Constitution should contain property rights: the right of an individual to own property. I have argued that the Constitution should give more rights to Canadian citizens. If I had my way I would like to see a constitutional amendment requiring a balanced budget in this country. I would like to see the government's proposals for a stronger economic union as part of it.

Basically a lot of us are looking at constitutional change now in a way that is quite divorced from the fundamentals that got us into this. We have a country that is in jeopardy of falling apart because of a fundamental misunderstanding between Quebec and the rest of Canada. Maybe it is time we resisted some of these temptations.

I wanted to say that because although I think the constitutional amendment proposed by the member is a good, sound and sincere one we are may be falling victim

to the temptation to put everything on the constitutional table.

As far as constitutional rights or environmental rights in the Constitution *per se* go, I would make a couple of basic comments. I believe we do not need more words on paper. I do not think that is going to help the environment. Changing words in the Constitution is not really going to help the environment, but I think changing attitudes will.

The problem is not so much with Them, with a capital *t*, and by that I mean governments or institutions or constitutions.

I do not think it is right for us as individual Canadians to sort of institutionalize our environmental problems, to put them off into something where we do not need to worry about them every day because some court, some institution, some level of government or some body of politicians is looking after them. I think that may tend to blind us to the reality that we are all polluters in our daily lives. That is what we really need to address.

I am not sure that the hon. member's motion, if adopted, would not really give people false assurances that the problem is looked after because it is stuck away in the Constitution somewhere. I do not for a minute want any of us, by doing so, to try and absolve ourselves of the personal responsibility we all have for environmental protection and maintenance. Instead, I think it would be useful if we were all concentrating on helping people know what they could be doing in their individual and daily lives in order to help the environment of Canada.

Too often in this place we pretend that government is going to be able to solve problems. What is government? Government is a representation of all of us, our country, our society. All of Canada is represented here in the House of Commons. We are all trying our best to represent what our constituents want, but if we allow our constituents to think that we can solve all these problems without them I think we are making our problems even worse. The Constitution is nothing but the rule book of this society and no rule book can really help the environment; it is people who have to do that.

I think we need to change the way people think and act and not change the rules that govern our society. That brings us right back down to the basics.

I do not want to diminish the hon. member's attempt to do something for the environment but, with respect, I think all of us have those tools within our own grasp. I do not want to be hokey about it, but we can all reduce, recycle, re-use and rethink. We can all attack our own environmental problems in our own households. It starts in the kitchen. It starts in the garage. It starts cutting the lawn. It starts with all those little things we do daily. Maybe we ought to be putting more energy into communicating those kinds of things rather than constitutional change.

All of us can conserve energy. You get in your car and you start driving. There are things you can do to conserve energy while you are doing that. When it comes to heating our homes and all of these little daily chores, there are things we can do to help the environment. We can protect water. We can take care of hazardous wastes. We can stop putting that fertilizer junk on our lawns. We can do a lot of things that will help.

In terms of protecting the air quality in individual households, we do not need to use CFCs. We can make sure our cars are tuned up. For goodness sake, there are basic common sense, fundamental things we can do every day to achieve the objective the hon. member is trying to achieve through legislation, constitutions, institutions and bodies of politicians.

We are talking about actions, not words. I think they go way beyond what any constitutional change could do.

A few moments ago the hon. member across the way from Toronto took a little shot at property rights and the environment. Lest anyone who is listening to these debates gets the wrong impression, I think it ought to be spelled out pretty clearly here that the entrenchment of property rights in the Canadian Constitution in no way abrogates the rights of society to protect, maintain and promote a healthy environment.

Putting property rights in the Canadian Constitution is simply giving back to Canadians a right they had historically until 1982 when the Canadian Constitution was changed. I know there have been environmental activists who have been attempting to scare Canadians by saying if you give people the right to own property, surely you

are giving them the right to abuse that property, in other words to pollute that property.

I want to make it clear that our Canadian Charter of Rights and Freedoms and our Canadian Constitution now say societal rights abrogate individual rights, and that is the way the courts have interpreted it. Our right as a society to protect the environment and the common good in no way gives individuals the right to abrogate that.

• (1800)

I will conclude on that note. Again I would like to thank my hon. colleague for putting forward this motion.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

IMMIGRATION

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, when I filed to raise this question, at the time Mr. Jerez's family was still in Canada. The latest information we have is that it has unfortunately been deported to its home country.

In my supplementary question to the minister I had raised the question of the cost of the refugee cases presently in the system. At that time I indicated to the minister that according to his own figures we have so far spent in excess of $300 million on refugee cases.

According to the latest information we have been able to obtain, only 4,000 people have unfortunately been deported out of this whole system. Of 100,000 refugees in Canada, at a cost of $300 million, if you work it out per refugee who has been deported it would be approximately $75,000 for every refugee.

At that time I called on the government to review this whole process and to look at the amount of money we are spending. The United Nations High Commission is spending around the world approximately $400 million. I call on the government to explain to us on this side of the House and to Canadians why it does not step up its efforts and perhaps consider the question of amnesty as one of the options or to speed up the process and take into consideration that there are many families out there that are hurting.

[*Translation*]

Mr. André Plourde (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, on behalf of the Minister of Employment and Immigration, I am pleased to provide additional information on the questions raised by the hon. member for Ottawa Centre on October 10, 1991 concerning the case of Guillermo Jerez.

The minister maintains what he said on this subject. Mr. Jerez's case went through all the steps of the refugee-determination process, including a complete review of his request by an independent tribunal.

The minister is convinced that this case received the full treatment under the process, which is recognized as the most generous and most equitable in the world, Mr. Speaker, a process that is both firm and fair. Canada can be proud of its record in respecting human rights and recognizing refugees.

[*English*]

PORK INDUSTRY

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I stood in the House on October 9, 1991 to bring attention to the problems facing Canadian pork producers. On that date I asked the Prime Minister if and when he was going to stand up to the Americans and demand that they honour the free trade agreement.

U.S. trade officials have now slapped a $22 per hog duty on live hogs being shipped to the United States from Canada. That is a 300 and some per cent increase. Once again we are seeing a steady erosion of our trade relationship with the United States. It has become increasingly protectionist and as a result violates the spirit and the letter of the free trade agreement. We are seeing this now in the negotiations at the GATT.

I am not the only one who realizes that Canadian interests are being threatened. Canada's two chief nego-

tiators of the free trade agreement have warned, and we saw this a few weeks ago in the papers, that Canada may have to terminate the deal unless the U.S. violations of these rights stop.

I am mad because all along we have said that this is a bad deal for Canada. The fact is that the government did negotiate the deal, and unfortunately it favoured American interests over Canadian. The fact is that we have an agreement. We are going to have to live with it and we are going to have to stand up more to the Americans as they violate this agreement.

While we try to make the best of a bad deal, on the infrequent occasions when the deal actually benefits some Canadian companies the Americans try to undermine any advantage we have. The point is that we do not have to let them get away with it. The Prime Minister has said that he has a very good relationship with the President of the United States. I asked on that date that the Prime Minister use that relationship to tell the American president to live by the spirit of the free trade agreement.

We have to challenge the Americans and let them know that they cannot push us around in the trade area. We must act now and stand up to them. I do not mean by carefully phrased warnings by the Prime Minister. I mean by a tough unequivocal position so that the Americans will realize that good relations between two countries are not a given and that they should not be taken for granted.

Remember that the longer we allow the Americans to renege on their commitment to free trade, the more vulnerable Canadian outputs and jobs will be to American competition. In respect to the pork producers, they have been continuously harassed by unfair American countervailing duties which are a blatant violation of the free trade agreement. Just when our pork producers thought that their trade problems were over, considering that two trade tribunals ruled against the American countervailing duty, they have once again been harassed by the Americans. I am wondering if this is ever going to stop.

I call again upon the Prime Minister to let the Americans know that Canada will not roll over and play dead on this issue.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am very pleased to have the opportunity to respond this evening and to talk a little bit about the trade agreement and the countervailing duty on hogs. We have to point out to the hon. member that countervailing duties have been taking place since 1984, which was well before the free trade agreement was established. The only process to go through at that time was the GATT, and we know how prolonged that was.

The free trade agreement has at least allowed us a timeframe that is more acceptable to live with these actions that have been brought against our Canadian pork. On swine and pork imported from Canada in 1984 and in 1985 there was a countervailing duty of 4.39 cents Canadian per pound.

On live swine, again it is true that since October 1991 the countervailing duty for 1989–90 has been raised to Canadian 9.32 cents per pound, a 107 per cent increase from the last review.

The government is reacting to those actions along with the industry. We have stood consistently with the industry in all these actions that have been taken, and we will continue to do that.

Following an investigation on pork, the U.S. imposed a countervailing duty of 3.6 cents Canadian per pound on imports of fresh chilled and frozen pork from Canada in September 1989. This action has led to a three-panel request from Canada. A free trade chapter 19 panel on the subsidy finding led to a reduction of the duty from 3.6 cents Canadian a pound to 1.4 cents Canadian a pound. If we had had to work without the free trade agreement we would have had a lot of difficulty and we would still have been with the original figures rather than that reduction.

The chapter 19 panel on the question of injury to the U.S. pork processing industry reversed the U.S. International Trade Commission finding that Canadian pork exports to the U.S. were causing injury to the U.S. industry. As a result of these successful challenges under the review mechanism established by the free trade agreement, the countervailing duty on pork was removed and all duties refunded. I think that has been very successful. We have a mechanism in place to look after these challenges.

In addition, the GATT panel request by the federal government found that the U.S. did not act consistently with its obligations under the GATT in deeming that

subsidies to hog producers were automatically and fully passed through to pork processors.

• (1810)

In conclusion, the mechanics in place under the free trade agreement proved to be of benefit to the industry and the Government of Canada.

The hog producers of this country have acknowledged this fact and are satisfied at the outcome of these *démarches*. It is our objective that the trading rules be respected. We will challenge any action that is unfair to Canada.

METRO TORONTO

Hon. Alan Redway (Don Valley East): Mr. Speaker, the intersection of Eglinton Avenue East and Don Mills Road in my constituency is considered to be the geographic centre of metropolitan Toronto.

In fact, there is more motor vehicle traffic at that intersection than at any other intersection in all of Canada. In addition, there are more jobs in that immediate area than in any other part of metropolitan Toronto with the exception of the downtown core.

There used to be more jobs because there has been a great change in the job situation in recent weeks and months. IBM on the northwest corner of the intersection is laying off some 10 per cent of its 2,000 employees. Imperial Oil on the northeast corner of that intersection is laying off employees as well. In the nearby East York, North York, O'Connor, Bermondsey industrial area one-third of all of the plants are now vacant.

That is just the tip of the iceberg because in May 1990 the unemployment rate in metropolitan Toronto was 4.7 per cent.

In January 1991 it was 7.3 per cent and today it is up to 10.1 per cent. The problem is not just in metropolitan Toronto as you well know, Mr. Speaker. The problem is right across our entire country, right across Canada. We have the highest unemployment rate of the 17 largest advanced industrial countries in the world. That is clearly unacceptable.

How are we going to turn that around? How are we going to get the economy moving again? Mr. Speaker, as you are aware, I have written to the Prime Minister and suggested five initiatives.

One is the 5 per cent down payment. The other is the use of the Registered Retirement Savings Plans as down payments for home purchases. The third is getting the value of the Canadian dollar down. The fourth is a one-year reduction in personal income taxes, and fifth is a $14 billion municipal public works program.

Last week the government announced it was moving on the 5 per cent down payment and that is great. Clearly we need more if we are going to get our country moving again. If we are going to increase the spending power of the people who are unemployed and out of work—we have over 10 per cent of the country in that category—we really need a public works program in the neighbourhood of about $14 billion to be spent on municipal works such as transit, roads, sewers and environmental projects.

Where are we going to get that money? That is an awful lot of money. We have a debt and a deficit problem. According to the calculations that have been done by Professor Pierre Fortin of the University of Quebec in Montreal, if we could get the unemployment rate down from 10 per cent to 7 per cent we would generate some $14 billion in savings on an annual basis.

That is based on the finance department's own calculations and figures. That is just by reducing the amount we pay out now for unemployment insurance and welfare and increasing the tax revenues.

We cannot wait for some medium or long term recovery in this country or a recovery in the United States. We need action now and we need it from the minister.

[*Translation*]

Mr. André Plourde (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I would like to take the opportunity to tell my good friend from Don Valley East how much significant ongoing aid the present government is giving to the Toronto region. The key role of the federal government in Bombardier's acquisition of de Havilland is an example.

Industry, Science and Technology delivers programs and provides services continuously. The regional office in downtown Toronto is responsible for delivering these programs. The Biotechnology Development Program is a good example of an initiative that directly benefits the Toronto region.

ISTC played an important role in implementing this program which led to the formation of a non-profit organization under private sector control, with over 100 members from all parts of the biotechnology community in metro Toronto. This program is meant to promote the trade and research position of this leading edge centre in Toronto with the biotechnology industry.

Also, the Federal Business Development Bank is participating actively in some local business development initiatives in this region involving training courses and advisory services adapted to companies' needs. The FBDB, in co-operation with Employment and Immigration, also offers a training program for some unemployment insurance recipients in the Toronto area to help them set up businesses.

The government is also active in the Toronto area in a co-operative venture with the Ontario Department of Industry, Trade and Technology and the FBDB through a program for women entrepreneurs in the region.

I am sure that Toronto's considerable advantages in terms of development, together with this government's programs and services, will help lay the foundation for lasting prosperity in metro Toronto.

[*English*]

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, this evening I want to address the questions that were raised in the House of Commons on October 11, which is just a bit more than four months ago. On that particular day I raised two points.

The first one was a reference to the Commission of Inquiry on Canadian University Education which had reported a need to place greater importance on distance education, continuing education and the internationalization of education. It pointed out as well that there was a need to attract students from aboriginal backgrounds and less affluent families, as well as handicapped Canadians and women. My question to the Secretary of State on that particular day was:

> How and when will this government act so that we can regain Canada's competitiveness?

I am just going to refer to a brief part of the answer and I want to quote the minister:

> I will be reporting back to the House as soon as that review is completed and that should be very shortly.

What does very shortly mean? It is now over four months since I raised that question and received that particular answer.

My supplementary question dealt with the student loans program to help these people that I just identified in getting a post-secondary education. I referred to people with low incomes, to women, to disabled Canadians, and to our aboriginal peoples. I asked why something had not already been done, when it was going to be done, and so on.

The minister, to his credit, indicated that I had already asked the question before and was patient enough to answer again, but he did not say a whole lot more in his other answer than he had previously. He did say, though:

> Madam Speaker, I have already answered the hon. member's question more than once. I have told him on many occasions that the Student Loans Program is already 27 years old, has never been changed and needs a thorough going over.

He did say as well that he was very close to tabling a review of the Canada Student Loans Program.

Yet today absolutely nothing has been reported. Why the delay? We are in a country, we all know, that has roughly five million people who are poor and living either at or below the poverty level. Most of them are women and over one million are children. As we speak right now, two million people are receiving social assistance. Almost two million people will be fed at food banks this year. Right now, almost 1.5 million Canadians are unemployed.

This kind of inquiry, this kind of review or study is needed. It addressed a number of important questions. I am still waiting to hear what the government is going to do with it, as well as what it is going to do with the Student Loans Program. I am waiting with bated breath.

• (1820)

[*Translation*]

Mr. André Plourde (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I would like to answer the question raised by my colleague from St. Boniface on October 11 concerning post-secondary education in Canada.

First, I would like to remind you that the government is committed to support post-secondary education based on excellence and equal access. We all recognize the importance of education to build a country, as well as the essential evolution of the system, based on new requirements.

It is in this perspective that the Secretary of State supported the commission of inquiry on university education in Canada that was set up by the Association of Universities and Colleges of Canada. Indeed, Mr. Speaker, we have paid approximately one third of the costs, that is $250,000, incurred by the commission chaired by Mr. Stuart Smith.

The commission tabled its report in October 1991, and since, the AUCC has formed a task force to study the report of the commission.

The group, headed by Mr. Brian Segal, rector of the University of Guelph, is composed of university rectors, as well as representatives from the private sector. This group will recommend, by June 1992, specific measures to be taken as regards the themes and the problems raised in the report of the commission.

Distance teaching meets the needs of those who find it difficult to go through the traditional education system, namely the students in remote areas. Canada is a world leader in that field. Several provinces have undertaken innovative projects. For instance, the Télé-Université du Québec, TVOntario or the Knowledge Network in British Columbia, illustrate the efforts made by universities and colleges to facilitate accessibility to post-secondary education.

There is an increasing demand for post-secondary education. In fact, Canada and the United States have the highest participation rates in the world as regards post-secondary education. Moreover, one of the main trends right now shows that the number of adults, and even relatively old people, participating in these post-secondary education programs is constantly increasing. That is why adult education is another option that the government is taking a close look at.

The Constitution

SPECIAL DEBATE

[*English*]

The Acting Speaker (Mr. Paproski): Pursuant to order made on Wednesday, February 5, 1992, the House will continue the debate on the adjournment motion for the sole purpose of allowing members to make presentations on the results of discussions they have had with their constituents on the constitutional issue.

I would like to recognize at this time the hon. member for Hastings—Frontenac—Lennox and Addington. Then I will recognize the Leader of Her Majesty's Loyal Opposition, followed by the hon. member for Burnaby—Kingsway.

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I am very pleased to have this opportunity to speak on the very important subject of the renewal of Canada's Constitution, where we are going and what my constituents have been telling me about Canada.

We are fortunate to live in the most favoured nation in the world, but all too often we have a tendency to think, as we listen to news reports or sometimes pessimists, that Canada is a lost cause. Let me say I do not believe this pessimistic view.

Generally speaking I have been close to my constituents over the past decade and beyond and I believe that today there is a tremendous frustration with our political system, petty partisan politics, our confrontational system, and the parliamentary system which dominates the media.

As Canadians we are overgoverned by existing bodies such as municipal, provincial and federal government agencies, boards, commissions, and it goes on. We should consider a reformed House of Commons that would better represent the regional interests of our nation. A more effective and representative House of Commons would eliminate the need for a Senate, either appointed or elected.

Under our present system of voting in the House of Commons there is a great deal of pressure and even intimidation on members of Parliament. The only free vote is a secret vote, as was the case in the selection of our present Speaker of this democratic Chamber. MPs

must be more responsive to their constituents. This would lessen the need for the daily adversarial tone of this House and hopefully improve the decorum of MPs.

Today almost every individual I talk to, young or old, tells me they are repulsed by the petty and childish actions of elected officials playing to the media, and particularly to the TV cameras in this House.

At this point my constituents, as I believe most Canadians, are very concerned about our economy. The public debt load and economic downturn have forced governments at all levels to make the tough decisions of raising taxes, cutting services or increasing deficits in order to continue to provide programs and services which all Canadians have come to enjoy and expect.

The harsh reality is that while municipal governments blame provincial governments for the lack of funding and provincial governments blame the federal government for the same woe, there exists only one taxpayer from whom to reap the revenue.

Governments of every level are realizing, albeit some more slowly than others, that responsible fiscal management is absolutely essential. It is most refreshing to hear the premier of British Columbia say: "You can't spend your way out of a recession".

Certainly there is much more to being a Canadian than economic considerations. However, we are failing Canadians who find it necessary to stay on social assistance generation after generation and many aboriginal people who live in Third World standards amid alcoholism and poverty. Our system must encourage and not discourage individual initiative.

Canadians who have fallen into the cycle of social assistance have had their work ethic destroyed by welfare just as socialism has destroyed communist ideology throughout the world.

The working poor of Canada are becoming more and more frustrated with the ever-diminishing fruits of their hard labour and business investments. Canadians are concerned with the economy, but in the end economic prosperity depends on national unity.

A divided country creates a climate of uncertainty, and political uncertainty leads to economic and social stagnation.

If we are wise as well as bold, we have an opportunity here at this moment to create a modern, efficient and dynamic Canada for a new century and beyond. As we debate and discuss the renewal of Canada's constitution, I feel that now more than ever it is important that we remember and consider the legacy left to Canada by the monarchy and the debt which we owe this part of our past for its contribution to Canada's distinctness in North America.

Unlike the United States and many other countries, Canada has been fortunate enough not to have to endure a civil war, largely thanks to our monarchy. The United Empire Loyalists who supported the monarchy permitted and encouraged the development of representative institutions to serve Canadians well.

It is certainly not my constituents' suggestion that we return to our past but I would urge all Canadians to appreciate and perhaps be guided by our heritage.

For over 200 years the Crown has given Canadians a common purpose. Today as we search to redefine that purpose we must not forget that legacy.

I have no hesitation in supporting Quebec's right to its culture, system of civil law, religion, language and traditions which were guaranteed in the Quebec Act of 1774. Any constitution should go a long way toward these definitions by simply recognizing what has been a reality since being provided by the Crown over 200 years ago.

Canada is graced with not one, but several distinct societies. The first is the native people, the original inhabitants of Canada who have participated in Canada's development through their efforts supporting the Crown in its resistance to countries such as the United States.

The second is the French inhabitants who brought to Canada their own system of culture and language and who have made an enormous contribution to Canada's unique identity in North America.

A third distinct group in Canada are the United Empire Loyalists who have also put their own stamp on the Canadian landscape, playing major roles in the founding heritage of Ontario and Nova Scotia and by bringing the system of law and government institutions which have endured to this very day.

Fourth, many cultures from around the world have made and are making Canada the best place in the world to live.

Hyphenated Canadianism is divisive. My own heritage is that of a United Empire Loyalist. My ancestors came from all over Europe, yet I am a Canadian, not a Dutch or German Canadian, or even a European Canadian, but a Canadian of European descent.

Canadians want a country that reflects the diversity of the regions and upholds the integrity of the whole.

• (1830)

The Acting Speaker (Mr. Paproski): The hon. member could file the rest of his speech with the Clerk.

Mr. Vankoughnet: All Canadians are very distinct in that they live in a society like no other certainly in North America, nor for that matter in the world.

However, the defining of what might make and what we might do separately, the respect for human rights, the freedom of speech, social solidarity, the harmony and the right of the individual to satisfy his or her basic needs, an attack on any part is destruction of what we know as a whole. We must not be a nation of navel gazers but we must offer objective assessments of what changes will be and a strong assessment of what changes should take place in a united Canada that are necessary in what is certainly a changing world.

Bilingualism in Canada should not mean all Canadians or all regions of Canada should speak two languages.

However, small post offices for example in my riding just this past week have been told that they cannot have their income tax forms because they do not happen to have the French forms because of printing delays. People in my riding feel that this is an aggravation and was not the intention of this regulation.

The Acting Speaker (Mr. Paproski): The hon. member can file the balance of his speech with the Clerk.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I too wish to participate in this debate on constitutional renewal. The purpose is an agreement reached among the respective House Leaders of the different political parties in this House.

Over the last number of months, since the issue has been seized with the special joint committee of the Senate and the House of Commons, I have met with many of my constituents who have voiced real concerns to me about the constitutional process and, more importantly, the substance with which we are dealing.

Many of my constituents believe that a number of the 28 proposals just ought not to be on the table for discussion. I would say a vast majority of my constituents with whom I have spoken believe it to be important that we as parliamentarians resolve the issue of constitutional renewal as expeditiously as possible. That is not to suggest that we expedite the process for the mere sake of expediting the process. It means that we do so with prudence. It means that we do so with sincerity. In the end, members of my constituency want to have this matter resolved and resolved forthwith.

When I travel the streets, when I go to the shopping malls, to Tim Horton's for a coffee, to the Legion to speak or at any of the functions which I attend, I have yet to have a constituent come up to me and say: "You know, I do not like that distinct society". I have yet to have a constituent come up to me and say: "You know, the declaratory power is kind of vague" or "I do not fully appreciate the consequential effect of the meaning of the inherent self-right of our aboriginal peoples". I have never received representations. I have never been questioned by my constituents on such specifics. I have been asked repeatedly where we are going with regard to the Constitution. We want Quebec. More importantly, we want the people of Quebec to remain members of the Canadian family.

I say this to my colleague opposite and I say so sincerely. The majority of my constituents want to see the people of Quebec remain in a renewed and united Canada. What they have been telling me about constitutional renewal is to get on with the task at hand.

I have in the past differed with Quebec governments and that may continue in the future, as it should, on whatever the issue may be. Surely as Canadians we can come to appreciate our differences, whatever they may be, wherever they may be in this country. The fellowship and the understanding that we as anglophone Canadians

ought to have for francophone Canadians should be at the highest level.

Perhaps I say so because I am biased. I have family members who are of a francophone nature and I say so with great sincerity. Mr. Speaker, I have to tell you that my constituents, both on the issue of constitutional renewal and on expediting the process that we now have before us, have repeatedly on each and every occasion that I have met with them said: "What about the Canadian economy? When are you going to give to the people of Canada some real action with regard to the Canadian economy?"

As I said, I am not stopped in the coffee shops, at the Kinsman Club or at the various breakfasts or the dinners that I go to as their elected representative and asked specific legal questions, whether it be on the residual power, whether it be on the Council of the Federation. I am certainly asked about high unemployment. I am certainly asked about the medicare problems in this country. I am asked about the mobility of Canadians from coast to coast. That is what Canadians in my constituency are talking about.

That is not to suggest that constitutional renewal is not important. It is important and we must underline that. Equally so is the disunity within our country for a variety of reasons, one of which is the poor economic situation that Canadians find themselves in today.

I urge members from all political parties who are on the special joint committee to continue the process, to continue to do it with this maxim, which is in the best interest of all Canadians from coast to coast. Upon completion of that process, Quebecers, Newfoundlanders, people from out west, people from Ontario, people from all across this country, want us as members of Parliament, as representatives, to put the same time, the same energy, the same resources into resolving some of the most fundamental economic questions that this country has had to face in well over 100 years.

We must in the best interest of the country and also because of the people we serve have the same kind of enthusiasm and energy to provide action plans for resolving those problems that we have, as I have mentioned earlier, in medicare, to resolve some of the real underlying problems with regional inequalities, regional opportunities. That is what Canadians in my constituency have been telling me and telling me in very plain language.

Whether it be the unemployed steel worker, the displaced coal miner, the individual who is seeking to become part and parcel of an older workers' adjustment program, whether it be students who are seeking financial assistance to pursue their post-secondary education or better still seeking summer employment, they want the Parliament of Canada to work on their behalf.

• (1840)

I close with this, Mr. Speaker. I know governments when elected with a majority believe in their hearts that they have a mandate to implement measures which they believe to be important. I suggest to members opposite that one should be prudent about moving on matters which do not enjoy the support of Canadians from coast to coast.

I say that not because it is not prudent to do those kinds of things. I use as an example the GST. I talk about free trade. There are all sorts of other issues, but there is a limit to what Canadians will accept no matter what the government is.

I urge all my colleagues to keep the best interests of the country at heart so that we can come together as a nation and renew our federation by keeping Quebec within the Canadian family. Keeping the people of Quebec is more important than the Quebec government, just as the people of Nova Scotia are much more important than the government in Nova Scotia.

I am confident that with goodwill, prudent judgment and the willingness to compromise on behalf of us all that we can resolve our constitutional dilemma and get on with building a strong economy which I believe Canadians are equally concerned about and on which they want some concrete and specific action.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, it is a privilege to be able to rise and participate in this debate on the historic crossroads at which we now find ourselves in attempting to draft a new Constitution for Canada.

I represent the constituency of Burnaby—Kingsway in British Columbia. I will be holding a public forum in my constituency this spring following the tabling of the parliamentary committee's proposals on the Constitution. At that time I hope to have an opportunity both to listen to my constituents and also to share with my

constituents some of their concerns and my concerns with respect to the future of this country.

This evening I want to take the opportunity to speak not as the member of Parliament for Burnaby—Kingsway but to speak on behalf, if I may, of another constituency in this country, perhaps a broader national constituency which I have both the honour and the privilege of speaking on behalf of as the only openly gay member of this House.

In the years that I have had the privilege of representing Burnaby—Kingsway in this House, I have tried to give effect to the concerns and the aspirations of my constituents.

Tonight, I want to speak on behalf of the community of lesbians, of gay men and bisexuals in Canada who have deep concerns about our exclusion from the Constitution of Canada, our exclusion from a very fundamental element of the Constitution of Canada, the Canada clause.

[*Translation*]

I speak on behalf of the gay and lesbian community in Canada which represents about 10 per cent of the population: our children, brothers, sisters, parents, employees, friends and neighbours. We are everywhere in Canadian society. We have made a tremendous contribution which, sad to say, has gained recognition only now, during the AIDS epidemic. Many Canadians appreciated that contribution after hearing about artists, dancers, actors, musicians, choreographers and so many other men and women who died as a result of this epidemic.

[*English*]

I say on behalf of this community that I remember all too vividly what I proposed back in 1981 as a member of the Constitution committee, the inclusion of the words "sexual orientation" as a prohibited ground of discrimination in article 15 of the Charter of Rights and Freedoms. I was told by members of the committee at that time—I will never forget these words—that we cannot include every barnacle and eavestrough in the Constitution of Canada. My amendment was defeated by a vote of 23 to 2.

I am not a barnacle, I am not an eavestrough and fortunately, in the intervening years, the courts of Canada have ruled that section 15 of the charter of rights must be implicitly read to include sexual orientation.

We are still waiting for the Government of Canada to finally show some leadership, to keep the promise that it made in 1986 to amend the Canadian Human Rights Act to similarly include a prohibition of discrimination based on sexual orientation.

I want to take this opportunity to draw to the attention of the House and through the House to the members of the special joint committee on the Constitution of Canada a profound and glaring weakness in the proposals which are before that committee. I speak of the proposals with respect to the Canada clause. In the Canada clause proposals the government has stated that the purpose of the Canada clause is to "affirm the identity and aspirations of the people of Canada".

In its present form, the Canada clause refers to a commitment to fairness, openness and full participation in Canada's citizenship by all people without regard to race, colour, creed, physical or mental disability or cultural background. Those are all very important grounds which should be included in the Canada clause. Those grounds exclude sexual orientation. They exclude my community and they exclude hundreds of thousands of Canadians who happen to be lesbian, gay or bisexual.

By excluding us, by rendering us once again invisible, we are denied our role in the formation of Canadian identity. As Professor Cynthia Petersen of the Faculty of Law at the University of Ottawa has pointed out in her brief, which I will be tabling shortly: "The proposed Canada clause does not constitute a full description of Canadians as a people because it ignores the participation of an important segment of the country's population".

I would urge the committee to recognize this injustice, to recognize what I hope is an oversight and to amend the Canada clause to include the words "sexual orientation". There have been many similar representations which have been made to the committee.

I am going to be tabling briefs which have been submitted by the University of Ottawa Faculty of Law, by the Association of Lesbians and Gays of Ottawa, by the group Parents and Friends of Lesbians and Gays, the AIDS Committee of Ottawa, a school trustee in Toronto,

Catholic priests in Ottawa, the British Columbia Public Interest Advocacy Centre and many others.

I know that at the most recent constitutional conference in Toronto there was strong support for the inclusion of sexual orientation in the Canada clause and a number of workshops adopted that proposal unanimously.

The B.C. Council of Churches has urged the government and the committee to move forward on this.

The group, Parents and Friends of Lesbians and Gays, submitted a very eloquent brief to the parliamentary committee in which they pointed out that social permission that already exists in our society to regard homosexuality in a derogatory light is further reinforced by the silence of the Canada clause on sexual orientation.

Parents and Friends of Lesbians and Gays point out that we are excluding their children and all the other homosexuals who make up about 10 per cent of the population.

One of the more eloquent letters that I received came from a woman in Halifax, Nova Scotia who wrote to the committee and said:

> It has come to my attention that I have been left out of the draft Canada clause. My families, on both sides, have resided in Canada for seven generations, but this clause, proposed in order "to affirm the identity and aspirations of the people of Canada" has ignored me—I hope the committee will reconsider the Canada clause and add sexual orientation to the list.
>
> After seven generations of roots in Canada, and my own life of contribution to the country, please don't leave me out just because my life partner is a woman. Our love for each other harms no one, and should not be the basis for exclusion from our country's citizenship.

At this critical time in our nation's history, when we are seeking to bring in as many Canadians as possible, I would hope that the committee would recognize it is important, indeed essential, that we include those Canadians who happen to be lesbian, gay or bisexual as well in this statement which reflects all of Canada.

• (1850)

I say this at a time when there is too much hatred, too much violence directed at lesbians and gay men. As the Parents and Friends of Lesbians and Gays have pointed out, the most hateful lie of all is the lie that somehow deals with homosexuals as being child abusers. It is a lie, a despicable lie which has been broadcast by a member of this House, the hon. member for Scarborough West, in a letter that he sent to all members of this House, an example of hate literature in which he urges members of the House not to include sexual orientation either in the Constitution or in the human rights code because he said this will lead to the recognition of paedophilia.

I would hope that his colleagues in the Liberal caucus and indeed the leader of the Liberal Party would speak out and make it clear that this man does not speak on behalf of the Liberal caucus and the Liberal Party and that he will be removed from any responsible position within that caucus.

In closing, I want to pay tribute to the men and women from across Canada, from coast to coast to coast, who have written to the parliamentary committee urging it and the government to recognize that we as lesbians, gay men and bisexuals will not be excluded from the Constitution. We urge the government and the committee to ensure that the Canada clause does in fact include sexual orientation.

I have the honour of tabling, pursuant to the provisions of the Standing Order, a number of briefs and letters which have been submitted to both me and the committee urging the committee to ensure that this injustice is remedied.

[*Translation*]

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, I welcome the opportunity to speak this evening during the special debate on the Constitution, to inform hon. members of the views of my constituents in Hochelaga—Maisonneuve.

"Shaping Canada's Future Together". We tend to see the government as a static institution, as a machine that was built and put into service a long time ago. Our democratic system exists thanks to its citizens and, like them, keeps growing and developing.

Today's Canada is not like the Canada of 1867, any more than its constituent legislation, which has been amended many times by the citizens of this country. The way we govern ourselves depends on how the courts interpret the Constitution, on our customs and on agreements between provincial legislatures and the fed-

eral government on the exercise of their respective powers.

These elements, which allowed our country to develop, continue to do so, providing a great deal of flexibility, and, under the present Constitution, make it possible to conclude a host of agreements with certain provinces and regions, without the risk of being bound by one special agreement that might not have worked.

Many other changes will probably occur. The process is already under way. In the case of the distinct society, it has slowly evolved throughout the first hundred years of Confederation, or, as in the case of the social charter concept and an equitable Senate, it is merely a glimmer on the horizon. As in all parliamentary systems, these changes will not be the work of a single government and will probably give rise to stormy debate, but I hope that finally, the majority will agree to these changes.

We are concerned about relations between French Canadians and English Canadians and the division of powers between the federal government and the provinces. These issues have always been on the agenda, and the search for common ground and a way to adjust to the current situation have been constant in this process. The recognition of the French Fact, limited at first in 1867, now affects Canada at various degrees.

Is Quebec a distinct society? This question many of you are asking yourselves deserves an answer. There are people who wonder why the government insists on entrenching in the Constitution the recognition of the distinctiveness of Quebec society, while others are convinced that such recognition will give Canadians an inferior status. We must demystify this proposal, the intent of which is simply to acknowledge a sociological and political reality.

First of all, it must be pointed out that it is only one among the 28 proposals the government has put forward. The recognition of Quebec's distinctiveness was proposed in an attempt to meet the expressed needs of that province for recognition and respect, while at the same time preserving the fundamental equality of all provinces and all citizens.

The idea is to reaffirm that we approve and respect Quebec's distinctiveness. The preservation and promotion of the French language in Quebec and the distinctiveness of our culture cannot be taken for granted by Canadians whose mother tongue is not threatened.

Canadians should be reminded of the institutional refuge provided by Quebec for six million of my fellow French-Speaking citizens and of its powers as first line of defence against the power of assimilation exercised by the 300 million other North Americans around us. In this context, by recognizing the distinct character of Quebec society in the Constitution, we are not granting Quebecers anything that other Canadians do not already have. This acknowledgement only ensures fairness.

Should we opt for the Canadian solution or a sovereign Quebec? In the end, Quebecers and Canadians will have to choose between a Canada in which Quebec can find a suitable place and a sovereign Quebec, which would mean the end of Canada as we know it. There are people who are in a hurry to push Quebec out of Canada and tell Quebecers things like: "Move out of there quick, but bring the furniture along". Indeed it would seem that illusion mongers have made a strange discovery, they have realized that Quebecers want to keep their Canadian citizenship, their Canadian passports, that they are quite happy with the economic and political system that has provided them with one of the best standards of living in the world, second to only one other country, that they are confident in their currency and are proud of their history.

Well, our country makers thought of a clever plan. Let's separate, they say, and keep from Canada whatever we like, whatever serves our own interest. Very original! How can we take seriously those who want independence for Quebec, but who say: Canada is unacceptable, however we want to keep the Canadian dollar; Canada is unacceptable, however we want to keep the Canadian passport and the Canadian citizenship.

Quebec's future within our federation must concern all Canadians. Our problem is that one quarter of our population, living in the strategic center of the country, wonders if we want them there, if they should leave. Therefore we are challenged to react to this possibility and find a way to allow Quebec to preserve and promote its own distinct society. However, those who believe that

to ask the question that way is a form of blackmail, those who think this is all a bluff are dangerously mistaken.

The economic unity of Canada concerns not only big companies, merchants and bankers. We all suffer when commercial barriers between the provinces are higher than those between European countries. This goes way beyond profits, it affects employment and consumer prices. Our potential is that of our descendants.

• (1900)

They challenge us to find solutions to this problem, and to find them together. According to polls, the Canadian people want the constitutional review to take a back step to the economic issue because of the exceptional seriousness of the recession and its consequences. If this was a brand new issue, nobody would object to this way of thinking. Unfortunately, the constitutional issue has been around for so long that it is now closely linked to the future of our economy. There cannot be of course the necessary confidence for a real economic recovery as long as the political uncertainty resulting from the constitutional deadlock prevails. It would be a mistake to believe that investment decisions can be taken when, because of the incertainty about the future, the rules of the game remain unknown. In Quebec, our economy had already suffered enough before the 1980 referendum and since the failure of the Meech Lake accord for us to consider putting off the question once again.

I now ask all Canadian men and women to think about all that we have accomplished together and to all that we risk losing with the splitting up of this country. Citizenship does not offer only advantages, it also brings some responsibility. How could we tell our parents, who have passed on to us with pride and confidence one of the most beautiful country in the world: "I have not been able to pass on your inheritance to your grand-children. Because of negligence, weariness and apprehension, our generation has turned its back on a glorious past and has given up a brilliant future."

To love Canada, to want to make it better is not a denial of our Quebec origin nor of our pride in our roots. On the contrary. Who are the people today who serve best the interests of their fellow countrymen? Are those the men and women who want to build an even better and more prosperous Canada for their children to enjoy, a Canada within which Quebec may continue to develop safely and freely? Are they the ones who want to split up and weaken Canad, those who want to isolate Quebec and shake its economy, those who build or those who sulk?

In Canada, we always go for the peaceful solutions. Peoples of the world admire us for that quality that our ancestors valued. We have to build a better country with a better solution to save this great country. It is our blessing, our present to the people around us, our duty towards ourselves and the future generations.

[*English*]

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, it is a pleasure for me to participate in this special debate in the House of Commons tonight.

As a member of Parliament I like to keep my ear close to the ground. I like to be listening to what my constituents of Winnipeg—St. James are saying. In the next few minutes I want to offer what I have been hearing from my constituents.

First of all, I would say that within my constituency on this issue of constitutional remaking and the renewal of Canada, there is a lot of good will and a lot of generosity.

My constituents of Winnipeg—St. James feel a bit more comfortable with the constitutional process now than they did with the process during the Meech Lake debate. I think it is mainly because this process is a bit more open. They feel that there is an opportunity for Canadians to provide input, as opposed to Meech Lake where most of it was done behind closed doors. There is that improvement. I am glad to report that.

I can tell you from what I have heard from my constituents in Winnipeg—St. James. They do not want Canada to break up. They do not.

I hear very little of the phrase: "Well, let Quebec go". I heard quite a bit of that a couple of years ago out of frustration and out of concern about where the country was going. I do not hear a lot of it now.

They do not want the country to break up. Canadians really love their country. They really do. They are not very flashy about it. They are not very demonstrative about it, but if you scratch them a little they will show they indeed love this country.

With respect to this constitutional crisis—and that is what it is when the future of the country hangs in the balance, we have a crisis—my constituents are telling me: "Let us get this thing settled. Let us get this work done. Let us get on with the job because it is dragging us down as a country. It is dragging us down as a people." This wrangling, this constant talking about the Constitution is hurting all aspects of Canadian life. So they are saying: "Settle it. Settle it quickly and let us get on to other things, for example the economy".

When I take a stroll down Portage Avenue, a major artery that goes through my constituency, I can assure you that if I am stopped by 20 constituents and those 20 constituents have some political issues on their minds, 19 out of the 20 will be talking about the economy. They see the unravelling of the economy. They do not like the direction it has taken in the last several years. They want us politicians, especially the politicians on the other side of the House belonging to the government, to seriously tackle the economic issues facing this country. That is the number one issue.

However, my constituents understand you can do wonders with the Canadian economy, but at the end of the day if you do not have a country, all is for naught. We have wasted our time.

So we do have to deal with the constitutional issue. Unfortunately, we have had this terrible convergence of two crises, a constitutional crisis on one side and an economic crisis on the other. Usually one crisis is enough for any country. Canada is in this terrible situation of having two crises coming together at the same time. It makes for an unbelievable burden.

I have faith in the country. I have faith in the people that somehow we will make it. It is going to be a close call, but we will make it. That is what I hear from my constituents.

One of the other things that my constituents tell me is that they see this as a top–down crisis. This is not a crisis in Canada that is percolating up from the masses, from the working people. This has been created largely by a group of elite in this country, academics, politicians, media people, who have made an industry or a business out of the Constitution. I sometimes wonder whether any fiddling and any changes in the Constitution will satisfy these people.

A lot of people, especially in my constituency, are very frustrated with these people who constantly badger us about the Constitution. That does not in any way detract from some of the real problems. I am not advocating *status quo* insofar as the Constitution is concerned. There is a limit to what can be done with the Constitution.

• (1910)

My constituents in Winnipeg—St. James are saying that they do not expect all 28 elements in the current package to survive this current round of negotiations or debate. They expect a package with fewer elements, something in the line of four or five. Let me touch on these elements.

There is no doubt about it that from my end of the country they want Senate reform and that has to be in the package. They want Senate reform to give the west a larger voice at the centre. I do not think the people in the west are interested in building up their capitals. They want a strong central government, but they want to be a major player in that central government in this reshaped Parliament. That is why they want an elected Senate, that is why they want an effective Senate, that is why they want an equitable Senate. If we do not get Senate reform, I do not think we are going to get a deal.

The distinct society is so important to our friends in Quebec. There is no doubt that some time ago, particularly when the term distinct society came on the scene, there were a number of western Canadians and constituents in my riding who felt a little uncomfortable because they interpreted it as being a declaration that Quebec was special. With the focus now on distinct society, I think the people now realize that what it is in the main is a recognition of difference.

Quebec is different. It has its civil code, it has its culture and it has its language. There is a difference. That is what the distinct society more or less is all about; it is about recognizing that difference and helping Quebec to preserve that difference or distinctiveness.

There are still concerns out there that it is possible the distinct society clause could be misused by some future Quebec government. So there are still concerns about how it would fit into the charter and how it would fit into the Constitution.

Most western Canadians have enough generosity that if they feel that it will be used in a positive way to preserve the difference of Quebec, the culture, the civil code and the language, and will not be used against certain people in the province of Quebec, they can accept it. I think generosity and good will will accept it.

Western Canadians accept the inherent right of aboriginal people to self-government. They accept that in broad general terms, but they certainly want to know a lot more about it.

With respect to the division of powers, my constituents in Winnipeg—St. James, if I understand what they are telling me, are saying: "Yes, we will look at a new arrangement of powers as long as it does not come at the expense of a strong national government". They want a strong national government, but they will look at some re-arrangements of powers. After all, what they want is whichever government can do the best job. Sometimes it will be the provincial government or sometimes the federal government, but they do not want the powers of a strong national government diminished.

In conclusion, just let me say that my constituents are saying that if we get through this crisis, and I think we will and they think that as well, let us not allow it to happen again.

We have to start selling Confederation and federalism in this country called Canada to ourselves in a better way. To a great extent federalism is in trouble because we have never sold it. A lot of people do not understand it or we have just taken it for granted that it would be there forever.

Let us learn some lessons from this debate.

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I appreciate this tremendous and special opportunity to address the Chamber and Canadians in all four directions of this great land.

If I may, I would do this first as one who represents Wetaskiwin, which in Cree means hills of peace in *ka kanadak*, our clean land. At the outset I want to thank our Prime Minister and our minister for national unity for allowing me to serve with 29 other outstanding Canadians on the special joint committee on a renewed Canada. Our hearings and the recent conferences have allowed us an opportunity to listen to many, many views from concerned leaders and citizens who all want to build a stronger and more united Canada.

The views of my constituents on all of the 28 government proposals have been presented to me both personally and by correspondence. A questionnaire was circulated in my riding at the beginning of January. In it I asked my constituents to respond to the government's initiative by expressing their agreement—strong agreement, disagreement, strong disagreement or indecision—with the proposals and providing personal comments. At the present time we have received over 250 responses to the questionnaire and I am hoping we will continue to receive further input. Several of my constituents have expressed how pleased they have been to have the opportunity to respond to the proposals directly and to make their views known.

If I may, I would now like to report by way of summary the percentage of those constituents who agree with the federal proposals.

Proposal No. 1, 73 per cent; 3, 81 per cent; 4, 50 per cent; 6, 64 per cent, 7, 52 per cent; 8, 86 per cent; 9, 70 per cent; 10, 72 per cent; 11, 75 per cent; 12, 82 per cent; 14, 79 per cent; proposal 15, 56 per cent; 16, 73 per cent; 17, 84 per cent; 19, 60 per cent; 20, 63 per cent; 21, 74 per cent; 22, 79 per cent; 24, 86 per cent; 25, 65 per cent; 26, 83 per cent; 74 per cent for proposal 27; and 28, 64 per cent.

I concluded my questionnaire with a 29th question, which read: "If the proposals that I agree with are achieved, then I will accept the proposals I disagree with". 148 respondents disagreed with this statement, 63 agreed and another 30 were undecided.

As is evidenced by the preceding statistics, the majority of people who responded to the questionnaire supported almost all of the proposals in part 1 of the package. Notably, one of my constituents made the helpful suggestion that the word "tolerance" in the Canada clause phrase "the importance of tolerance for individuals,

groups and communities" be replaced with the word "respect".

There was again a majority of support for the proposals outlined in both part 2 and part 3 of the federal package. There was significant agreement with both House of Commons and Senate reform. There were also a substantial number of comments made on the need to provide the west with greater political power and on the issue of transfer of power to the provinces.

After mentioning the general support that exists in my riding for many of the proposals, I feel it is important to acknowledge the strong disagreement that was expressed with regard to proposal No. 2, recognition of Quebec's distinctiveness and Canada's linguistic duality. The sentiment of equality of the provinces and the view that no province should receive special status was repeatedly expressed. Proposal 5 regarding aboriginal constitutional process was the other proposal which did not receive a majority of support.

Since the Four Nations of Hobbema are in my riding, I sought several meetings with the chiefs and councils to listen to their views. Unfortunately for me, they decided to reject all the proposals, preferring instead to support the Assembly of First Nations' position.

In a recent letter, one of my constituents wrote that if he disagrees with something it has to be proven to him that his position is wrong, that I should not just expect him to accept it. Thus, I would like to try and briefly respond to some of the concerns my constituents have expressed. I speak only as an individual member of Parliament who is also a treaty Indian when I share different quotes which express what I would like to say.

I recall the first meeting the Minister Responsible for Constitutional Affairs had with the National Chiefs when an elder, Chief Peter O'Chiese, said: "We have to lift each other up". That to me has since been of great significance during all our hearings, as have the four great values of honesty, kindness, sharing and strength. These values could perhaps be reflected in our Canada clause along with reference to the Great Spirit.

• (1920)

Perhaps too our preamble could state, as Lord Denning said in the 1970s in a court case in London, that no government can break the treaties as long as the sun shines, the grass grows and the rivers flow. My own dad, a World War II veteran, used to say that these are the three principles on which our great country was built.

Mr. Speaker, I know you and my rodeo colleagues in the gallery tonight will agree with what I am about to say. The sport community in Canada also has a tremendous contribution to make to the issue of national unity. What is that fantastic feeling and positive spirit we have all experienced when we succeed as an athlete? That feeling is being Canadian. Coincidentally, we will all share that positive winner's feeling again during the next two weeks in Albertville when an athlete wins a medal or does their personal best on our behalf.

I am reminded of an outstanding brief I received from Margaret Barber of the Sports Federation of Canada. In her paper entitled "National Unity Through Sport", Barber writes that: "Canada identifies with its athletes, with its sports. Canada as a nation has been fortunate to count among its members some of the world's finest athletes both past and present. Those athletes came from a melting pot of cultures and backgrounds. They are by virtue of their diversity truly Canadian. The power of sport is real". She said: "There are a multitude of lessons to be learned as a nation from sports; understanding, tolerance, acceptance, respect, cultural identity, the ability to experience and share without losing that which makes each of us unique and individual. Perhaps it is time in light of the present problems facing the nation and our concerns on national unity to make better use of sport to understand ourselves as a nation and indeed to help keep us together".

A couple of days ago athlete Sylvie Daigle was selected to be a flag bearer in Albertville. She was quoted as saying: "I came here for Canada. Yes, it is hard but at the same time, we are all one country here. And if you win a medal it is for Canada".

Earlier at the 1984 Olympic Games in Los Angeles Alwyn Morris, the only indigenous athlete to win an Olympic Gold, held high an eagle feather.

Barber's brief echoes the sentiment that this image of success evokes: "If you have it in you to dream, you have it in you to succeed". She continues: "If you have enough dreamers left in Canada, perhaps we have enough left in us as a nation to succeed in our efforts to retain and

strengthen our own national unity and identity. Perhaps sport can help us turn these dreams into reality".

In conclusion, I want to declare my belief that this constitutional process will succeed. In the words of a citizen from Leduc: "I cannot express to you how important the successful conclusion of this endeavour is to myself, my family, my country".

At a time when our country looks at itself to determine what make us uniquely Canadian, my daughter, Teddi, wrote the following words to help me in a poem called "The Rainbow":

Long before Columbus
Our grandfathers spoke of
The white from the north
The black from the south
The yellow from the east
The red from the west
Hundreds of years later
We live together
but not in harmony
Why can't we be like the rainbow?
Red, orange, yellow, green, blue, indigo, and violet
All one in peace with its own identity
No conflict, no war, no prejudice
Like the rainbow.

I believe we will come through 1992 and into the future as winners by dreaming of success, by focusing on our common strengths and by recalling positive feelings of sharing kindness and respect.

As a young person, Mr. Speaker, we have all probably tried to walk on one rail along the railway tracks. It is difficult. Yet if a friend walks along the parallel track and you hold hands together you find you can walk for miles together. Perhaps it is because you truly help each other by lifting each other up.

In this Canada round I believe just as when an athlete wins, when Quebec wins, when an Indian wins, all of Canada wins.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am very pleased to have this opportunity to bring to the House of Commons the views of my constituents as they have expressed them to me in a number of forms and forums over the last year and more. I want to begin by saying that, as with the debate in this House, the debate in Ottawa West is optimistic and pessimistic, full of hope and full of despair, but marked by a great will to keep Canada together.

The views on how we can do that differ as much as they would among any of us in this Chamber, but the will to keep Canada together is the strong and binding thread through all the submissions I have heard in person, in meetings, by phone, by letter.

My first couple of opportunities to discuss the Constitution in a concerted way with constituents was in two visits to schools. I thank those young people particularly for taking the initiative to organize the kinds of sessions where they were focusing on what they wanted the country to be for their future. They felt strongly that the diversity of this country, whether it is French and English, different cultures, different races from different places, the different geography of our country, the different regions of our country, are all something that is part of their Canadianism. They do not identify being Canadian with being somebody who happens to live in this particular region. The message I got very clearly from them was that all of Canada is part of their own identity.

They, too, like everybody else I have heard from had very differing views and I am sure it will come as no surprise to anybody in this House who has been talking to and listening to their constituents that aboriginal concerns and environmental concerns are at the top of the agenda for young people as they are for other Canadians.

We developed questionnaires that were distributed twice in the constituency, once to a group by mail and second, made available to everybody in Ottawa West through the means of my householder. We have had over 700 responses to that householder questionnaire. We have done an analysis of both groups of questionnaires.

What was a little more difficult to analyse was the time that hundreds of people took to write down their own thoughts, sometimes in a brief note, a brief comment on the questionnaire, sometimes in a letter of many pages, sometimes in a full brief, which a number of them have submitted to the committee. I think this level of response indicated a community that has been always very conscious of its role as the nation's capital. Yes, it is a community distinct from its federal role. I know it is hard for people outside the national capital region to realize

that, that there really is a community of three-quarters of a million people here, the vast majority of whom have very little to do with the federal government and certainly nothing to do with the vision that the word "Ottawa" creates anywhere east of the Ottawa River or west of the Ottawa River, outside this region.

As someone who has grown up in this community, I can tell you that the sense of responsibility as the nation's capital and the sense of pride as the nation's capital is strong in this region. We have been proud to develop in our community the ability to deliver services in both official languages long before many communities across this country.

We have been proud to promote the diversity of cultures that are represented in our community and to give them means and vehicles to communicate with one another and with the community at large and to respect those diversities in the delivery of public services.

• (1930)

We have also recognized that we have a role to play in Canada. We have a role to demonstrate that here in the nation's capital many different groups from many different backgrounds, from the two founding language groups of this country and including our aboriginal people, can live in peace and in harmony and can make this a stronger and better community as a result.

Those feelings were all reflected in the responses we received to over 700 questionnaires. We asked people what was important to recognize about the nature of Canada. Almost without exception the rights and freedoms of individuals as recognized in the charter were important to people.

Second most important was the role of aboriginal peoples in Canada.

We drop down a bit then to the importance of recognizing the equalization of economic opportunities among regions; again a great commitment to the diversity of Canada, to our differences, but to our right to share equally in the wealth of the country.

Recognition of two official languages was important. The diversity of cultural heritage was important. The distinctiveness of our regions was less important. I think that reflects a very strong bias in this community to the wholeness of Canada. Our diversity is important but less important than our wholeness.

People were asked how important they thought it was for the federal government to be able to set national policies and standards on certain issues. The environment was inevitably number one, with virtually 100 per cent saying that the federal government has got to be responsible for the environment.

We set up a special constitutional discussion in Ottawa West on the environment and the Constitution because people were seriously concerned that the constitutional proposals virtually ignored the environment. They were concerned about the impact of property rights, the federal government's ability and the ability of all of us to work together as individuals and as governments at all levels to protect our environment.

They were concerned that the proposal for the economic union ignored the whole concept of sustainable development, of integrating whatever we do economically with the protection of our environment and the preservation of our resources for future generations.

In only a few moments I cannot possibly do justice to the wealth of concern for our country and love for our country that I have heard expressed from the people in Ottawa West in the last year and more. What they are looking for is leadership. They are looking for us to put aside the differences that they feel are superficial to the continuity of Canada. They want us to make that our number one goal. They want that because Canada is important to them. They also want it because we have other issues we must get on with—and they want us to get on with them—such as child poverty, unemployment, developing Canada's scientific basis to create more and better economic opportunities in the future.

I know time is short, and so I simply want to conclude by saying that I share the view I have heard from the vast majority of my constituents. Certainly there have been diverging opinions and there have been some unpleasant opinions expressed, but they are all important and they all have to be taken into consideration.

For me, my country is not Canada without Quebec, and I am not a Canadian in a country without Quebec.

[*Translation*]

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, I am pleased to be able to acquaint this House with the opinions of my constituents from Saint-Hubert and their analysis of the future of Quebec in general and the proposals of the federal government in particular.

I must say at the outset that to a number of my constituents the refusal of English Canada to sign the Meech Lake Accord was interpreted as a clear and simple rejection of the distinct society in one of the two founding nations of this country. My constituents cannot accept the status quo, nor offers which would be inferior to those of the Meech Lake Accord. When they look at the constitutional future of Quebec, they do not focus solely on economic considerations. They have a clear and broad understanding of the issues, and are conscious of the differences of opinion, but they are also tired of the continuous misunderstanding in English Canada.

Mr. Speaker, for the Quebecers in my riding of Saint-Hubert, the failure of the Meech Lake Accord, the tabling of the federal proposals and the comments heard during the various conferences and consultations confirm an unreconcilable evidence. We are faced with a totally different view of the territory on which two nations co-exist, against their will, for historical reasons. For my constituents, this unreconcilable difference is evident in many respects.

First of all, English Canadians want a strong central government in Ottawa. Quebecers want a strong government in Quebec City; English Canadians want to centralise powers in Ottawa, Quebecers want to centralize them in Quebec City; English Canadians want a country where everybody uses English as the language of communications; Quebecers want to live, work and create in French.

English Canadians have their culture, their theatre, their cinema and their television. Quebecers also have their culture, their theatre, their cinema and their television. English Canadians have a deep affection for the Queen and her family, for the British monarchy, which they consider very important. Quebecers have no interest whatsoever for that institution, particularly when the Governor General is unilingual English. English Canadians are proud to be Canadians. Quebecers identify themselves with Quebec and are proud to be Quebecers. English Canadians consider that Labrador is part of Newfoundland. Quebecers still consider that territory as belonging to Quebec.

The list is long, Mr. Speaker, and could go on and on. This exercise may seem tedious to you, but it is important and necessary if we want to fully understand what my constituents say, particularly when they claim that the existing proposals of the federal government are meaningless, that they are not formal proposals and that we should not even waste our time dealing with them.

In fact, these proposals which Ottawa made in September, are another blatant example of what is irreconcilable. The leader of the Bloc Quebecois, Lucien Bouchard, was the first to sound the alarm, to point out the Machiavellian power grabbing by the central government which led Quebecers to believe its proposals were fabulous.

When the president of *Sun Life of Canada* considers the federal proposals reasonable and attractive, any good Quebecer must not only be puzzled, but very, very suspicious, and he or she must look twice at these proposals. Indeed, John Gardner, president of the *Sun Life Insurance of Canada* stated, last November 8, that the federal proposals were, and I quote: "a reasonable and attractive initiative".

• (1940)

Quebecers in my riding, like all Quebecers in general, cannot be fooled. For them, Ottawa's proposals represent a considerable retreat from Meech, for three reasons. First, the distinct society clause is now entrenched in the Canadian Charter of Rights and Freedoms as a constructive rule applicable only to the Charter, while in Meech it was applicable to the entire Constitution.

Second, the Canada clause, section 2 of the Constitution, lists several characteristics including, in sixth place, a basic responsibility for Quebec to preserve and promote its distinct society. This section is being diluted and will virtually have no effect, except a vague constructive effect, like that of a preamble.

Third, a limitative definition of the concept of a distinct society is given—language, culture and civil law—which of course restricts its scope.

When I talked with my constituents, I clearly received the following message: Put forward some demands for Quebec, we want more powers. That is essentially what they told me.

Thus, when we examine the federal proposals concerning the distribution of powers, we see that in general no new power is given to Quebec, contrary to the recommendations of the Allaire and Bélanger–Campeau reports, except labour force training, which will be subject to federal standards which will be established pursuant to the new powers to manage the economic union.

In its proposal No. 24, the federal government only recognizes provincial authority in areas in which the provinces already have exclusive jurisdiction, namely tourism, forestry, mining, recreation, housing and municipal/urban affairs. Furthermore, within this framework, the federal government even says it is committed to research and development in Canada and to its constitutional obligations towards international and native affairs.

In conclusion, the federal proposals are less than Meech. Meech already was a minimum, as everyone said, including Robert Bourassa and Gil Rémillard. It amounts to a reduction of the distinct society clause, and a limitation of its interpretation in the Charter. There is no more constitutional guarantee that Quebec will have three judges on the Supreme Court's bench. There is no more veto for Quebec. In short, as was so well put by one of my constituents: "We have been had since the very beginning of our history, that is since 125 years, and history repeats itself. We are given candies in exchange for meat."

For my constituents the solution to this constitutional debate is clear: Quebec wants its independence, its sovereignty. Quebecers want control over their own destiny and their own values. They want to exercise exclusive control not only over their cultural affairs but also over their social, political and economic affairs. The citizens of my constituency have understood that they need a sovereign state in order to have respect for their differences, their distinct character and their culture.

[*English*]

The Acting Speaker (Mr. Paproski): The next four speakers will be the hon. member for Edmonton East, the hon. member for Red Deer, the hon. member for Acadie—Bathurst, and the hon. member for St. Albert.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I left Vancouver with my family at the age of eight. We moved south into the United States. My dad took us down there because he had a job there. We did not move far, only about 100 miles maybe, down to a town call Everett, about 25 miles north of Seattle. That is where Boeing 747s are made.

I entered grade three there and was immediately confronted with new classmates urging me to speak some Canadian for them. I jabbered glossolaliacally, as best my eight-year old imagination would allow, and that seemed to satisfy them. I made some friends and some of them became very good friends.

I lived in the United States for a total of six years. During that time I saw many things, not all of which I understood with my young mind. The things that I saw included tremendous acts of generosity by individual Americans toward their fellows. I watched on the television screen as that nation slowly descended into the black dementia of the imperial war in Vietnam. I watched on the television screen as elements within that society shot and killed some of its finest. I watched some of the friends I made in school growing up anticipating entry into the American Armed Forces and cultivating, therefore, a series of attitudes that they thought appropriate to that fate, attitudes that ran the gamut from personal courage and self-reliance on the one hand to the most appalling forms of racism and ethnic hatred on the other.

For me, those six years were a period of intense learning and reflection because I never lost the feeling that I, although being among these people, was not of them, that I was something different. Being a Canadian set me apart in the United States.

When my family came back to Canada, to Edmonton, on December 1, 1966 I remember to this day crossing the border for what was to be a long time and the tremendous sense of relief and well-being that I felt as the car crossed the little border point in southern Alberta. We proceeded up roads I had never travelled before through winter far deeper and colder than anything I had experienced before to what was to be our new home.

That experience as a child has indelibly marked me. It has left me with a passion for the preservation of that which preserved me as a youth, which is to say that Canadian identity, whatever it may be, served almost as my cocoon in those six years I lived in the United States.

One of the reasons I sought election as a New Democrat was seeing what is being done to my Canada, the future that is being shaped for it by those who now rule in this country and seeing what I still believe is the pursuit of a course that can only end in catastrophe for this country.

I do not believe that the majority of Canadians, given the choice to express themselves, would willingly go down the road that this government and other provincial governments in this country have mapped. I believe that given the time to reflect thoughtfully on the problems confronting the country, Canadians will come to reasonable, workable solutions.

• (1950)

It is on the basis of that belief that I mounted a two-day constituent assembly in Edmonton East.

After several invitations had been sent out, invitations to every person in the riding through the vehicle of the householder, 21 persons and five organization representatives filled in the ballots, out of the 36 persons and 15 organizations that attended. In addition, of the 84 ballots mailed 16 had been returned by January 7, which is the deadline I had to set in order to get the report ready to present to the standing committee.

I will not read the entire report because I do not have time and because quite frankly hon. members can read it for themselves, but I would like to convey some highlights. First, of those 42 who turned back ballots, 76 per cent want a reformed Senate. There is no surprise there. Fifty-five per cent favour the Triple-E model, but 40 per cent opted for a Senate elected by proportional representation. Sixty-two per cent said any reformed Senate should have the same powers it has now.

With regard to aboriginal peoples, 76 per cent said amendments to the Constitution affecting aboriginal peoples should only happen with the consent of those peoples. There was strong agreement, 71 per cent, that there should be a commitment to the entrenchment of aboriginal peoples' inherent right to self-government in the Constitution.

Almost two-thirds of all respondents thought sexual equality guarantees in the charter should be extended to cover the entire Constitution, and only 26 per cent wanted to ditch the so-called notwithstanding clause. Fifty-eight per cent wanted to keep it in some form or other.

Half rejected the federal government's plan to grant itself new powers to ensure the efficient functioning of the economic union, but the proposal to narrow the Bank of Canada's mandate to strictly that of fighting inflation was rejected by 60 per cent.

The idea of guarantees of collective rights of the sort found in the so-called social charter was endorsed by 60 per cent of the respondents, with only 26 per cent opposed. The endorsement per cent of these guarantees is as follows: clean air and water, 62 per cent; minimum standard of living, 60 per cent; decent health care, 60 per cent; a right to an education and a job, 60 per cent.

Almost the same level of support, 57 per cent, was expressed for the use of referenda and again 57 per cent of the respondents liked the idea of recall.

Sixty-four per cent opposed property rights for corporations and although 52 per cent thought property rights for individuals was a good idea, 72 per cent agreed that even if such rights were enshrined they should be subject to being overridden in cases of expropriation for socially necessary purposes.

Alberta has been in the news a great deal of late because of the remarks of our premier regarding bilingualism and multiculturalism. The majority, 53 per cent, thought bilingualism should be reviewed. However, only 29 per cent thought it should be eliminated and 34 per cent thought it should be kept as is or expanded.

Similarly with multiculturalism, 38 per cent said eliminate it, but 19 per cent said it should be kept with restrictions, and 28 per cent said it should be kept or expanded. A total of 47 per cent said keep it in some form.

In this regard, the premier of Alberta does not speak for my constituents.

Last, I should note that almost two-thirds of the respondents rejected the contention that Quebec should have a different constitutional relationship with the rest of Canada.

I do not agree with that. However, it is my duty to present that to this House. It is my duty to present it to the constitutional committee, which I have done. I would like to table the full report of our constituent assembly and I will cheerfully provide individual copies to any member who would request one.

Let me close by saying the Canada that served me so well in my youth continues to serve me and my family, my friends and loved ones. It is a Canada that I believe must change to survive and grow. I believe that survival, that growth, is of fundamental importance to those who will come after us. I believe that they too have every right to enjoy the security that being a Canadian affords us all and that has served me so well.

I pray we in this House, we in this country, have the wisdom to find the path to that new growth.

Mr. Doug Fee (Red Deer): Mr. Speaker, I am pleased to participate in this debate and report the views of Canadians in my riding of Red Deer.

What we are doing tonight is something that should happen in this Chamber far more often. A common concern expressed very strongly to me when I go home is the question: "Why do individuals members of Parliament not better represent people like me? Why aren't my views expressed on the floor of the House of Commons?" This debate allows that. Individual members of Parliament are reflecting and reporting the views of their constituents on the Constitution.

The issue of the Constitution tends to be dominated by those who report it, being major players. The media constantly reports politicians' views, academics' views and views of special interest groups. In this debate, we are reporting the views of our constituents, the ordinary Canadians, our friends and our neighbours, the many people who came out to share their ideas, their thoughts and their love for this nation.

It is the people we represent who make these short reports so important. For a constitution to work, in order for it to be the basis for a nation to grow in unity and strength, it has to reflect the values and the commitments of the people it serves. Constitutions are not for politicians and academics. Constitutions must be for people.

When the joint committee cancelled its scheduled meetings in my riding in November, I went ahead and held these meetings. I am glad I did. The people who attended the November meetings in Sylvan Lake, Innisfail and Red Deer told me repeatedly that this was the way the issue should have been addressed in the first place. I was told we did not need high-priced commissions, or even special joint committees. Members of Parliament should be the ones who listen and should be given the opportunity to debate, to reflect and to represent the views of their constituents. I quote one of the more blunt contributors: "I am glad to see you are finally doing what we elected you for".

Coming out of this first series of meetings, I was told that the economy was every bit as important as the Constitution. Building on that demand, I held a second series of public meetings in January in which we discussed both the economy and the Constitution.

I also held a constituent assembly of high school students. Every high school in the riding was invited to select three students. The group met at Red Deer College and spent a full day debating the 28 proposals in the constitutional package.

The summary of my constitutional meetings and the student constituent assembly has been shared with both the minister and a special joint committee. Yesterday, two participants from the high school assembly, Barb Ellingson from Innisfail and Paul Abbott from Red Deer, had the opportunity to meet with the joint committee and elaborate on the recommendations made by their constituent assembly of high school students. They did an excellent job of representing their constituents and communicating their positions. Most of my comments will be based on the other series of meetings we had.

This last weekend the minister said that this is not the time for inflammatory rhetoric or phrases. Debate, according to him, has moved beyond that. I would hope that he and the rest of you who are listening would note

that some of the comments I have collected were made prior to the recent conferences. People and positions might have changed, matured if you will, but there is still a strong sense of frustration, in some cases alienation, and it would not be fair to the people I represent if I left those comments out.

Many of the people who talked to me at my public forums are absolutely and completely frustrated with the apparent never-ending constitutional discussions. Almost every meeting concluded that the economy was equally important but that it does not seem to attract the same attention. We know we cannot go back in time, but questions raised more than once were: "What was wrong with the way things were? Why did we not leave the Constitution until all Canadians were committed and agreeable to the terms of repatriation?"

It is obvious to me, listening to the national debate and especially listening to my constituents, that there are serious questions facing us and differing views on how they should be answered. I have had representations on the need for strong central powers and others equally strong appealing for more provincial powers.

There was agreement, though, that we need to clarify the areas of jurisdiction and that those who claim responsibility for programs must have the legal responsibility to fund them. There are far too many areas in which people see a duplication of services and expenditures.

Institutional reform is one of the key recommendations in the government's proposals on constitutional renewal. The main focus in my province on institutional reform is the upper chamber. The very strong feeling from Albertans is that the Senate needs a major overhaul to better protect regional interests. That is the reason for Alberta's demand for a Triple-E Senate—elected, effective and equal. Senate reform is a major issue to the people of Alberta and we cannot overstate our feelings about the need to change the Senate. There is impetus to change the House of Commons as well, to make it more representative of the views of our constituents. Strong feelings surfaced about the behaviour in this place. The daily Question Period was referred to as a circus. Heckling, catcalls and general conduct was described as childish. Opposition for the sake of opposition without offering alternatives and blind obedience to party policy and block voting were both considered and called mindless.

• (2000)

People expect more of us as lawmakers and leaders than they see. We need to clean up our act and set an example. We need to show Canadians that we are working for them and for Canada.

I cannot state strongly enough or often enough that the overwhelming feeling that came out of each and every one of my meetings is that we are committed to Canada and that our Canada includes Quebec. We want this nation to be unified but there is some resentment over what is being perceived as Quebec's demands.

The phrase, distinct society, has been mentioned by other people. There is a growing acceptance of the distinct society proposal from the recent workshops. At the time of my meetings there was still concern because people were uncertain and unclear about what was meant by a distinct society. Almost everyone who attended our meetings recognizes and accepts the historical reality of Quebec's place in Canada. We know Quebec is distinct. We accept the historical rights of Quebecers to the French language, culture and the use of the Napoleonic law. No one had a problem with that.

The concern expressed was extensions and applications in other areas that might diminish the rights of others. In almost every meeting the question of bill 178 came up and the use of the notwithstanding clause to enforce it.

The sign law does not affect anyone in the province of Alberta. It has absolutely nothing to do with the Constitution but it does have a lot to do with the attitude and concern about the application of the distinct society clause.

The point I must emphasize to accurately reflect the expressed views is found in a quote from my meeting at Sylvan Lake where it was said: "We are concerned about the word 'distinct'. No one should be given a special label. When all is said and done, we have to be equals. We are all Canadians. I do not mind the way it is worded in the proposals as long it is not used for something else".

Someone else said to summarize and end the meeting: "Quebec must stay. We all lose if they go. Your job is to keep the country united but not at an outrageous cost".

The essence of all the meetings is that if we do truly want to keep this country united we have do more than come up with a Constitution that we can all accept, we need to understand each other better. We have to get to know the regions and other Canadians and understand their needs, their wants and their aspirations. There were many suggestions given on ways that we could accomplish this. It was pointed out that the cost of air flights in Canada is prohibitive. It is cheaper to head south and visit the United States than it is to travel east or west in Canada. It has been suggested there should be travel incentives developed to encourage Canadians to visit other areas. There should be student exchanges to develop understanding among the young. Our educational system has to be expanded. We must put pressure on the powers that be in the educational system to ensure that students learn the history and geography of this great nation and learn to better appreciate it.

An immigrant who has taken up Canadian citizenship ended up telling the rest of us at our meetings that to truly appreciate Canada, it seems one must back away and look at it from another nation.

At the Rocky Mountain House and Red Deer meetings the environment emerged as a very hot topic. The message was that the environment is important to all of us. Also that there is one level of taxpayer in this country and that taxpayer wants rights protected but resents two layers of government doing the same thing and apparently being in conflict with each other.

From my meeting in Nordegg, I quote: "We need strong guidelines and we need one level of government to enforce them". From Rocky Mountain House another quote: "We need strong environmental guidelines but they should be there to help and guide industry, not to kill it".

Concerns were raised about the aboriginal people. The Innisfail group said that 10 years is too long to take to resolve these problems, that we need a commitment to fast track the program. The general consensus was that we need to redress the valid concerns of the aboriginal people. As one person said: "Let us be careful we do not entrench apartheid". There is great support to get rid of the Department of Indian Affairs and allow the aboriginal people the right to self-government.

This was done with a limited understanding of the term self-government. It is awkward to approve or disapprove of something that has not been properly defined. The position taken is that we need to develop a country where a Canadian is a Canadian. We should not be French, English, Indian or whatever. We should be first and foremost Canadian with the same rights and responsibilities.

To my groups, economic union is an issue that is so basic and makes so much good sense that no one could understand why it is not a given. We have to eliminate interprovincial trade barriers and broaden the common market within Canada.

To quote one of my meetings: "It is ridiculous to watch other countries work to develop trading blocs when we have not even developed free trade within our own country". The overwhelming message I received was that people in this country want a nation, a nation that stands free and stands for something.

They do not want a splintered nation of isolated regions. They want a nation of proud, unified Canadians. We in Alberta are proud of our province and its place in Confederation. To quote one of my participants: "Of course, we are proud Albertans. We are Canadians first".

Mr. Speaker, there is a lot of frustration out there. There is still a large degree of irritation and anger. There is also a lot of misunderstanding and questions but there is also a lot of patriotism and a tremendous amount of love and appreciation for this huge, sprawling country of ours.

Canadians love this land. We want to preserve our national heritage of clear skies, clean water, productive soil and most importantly, our heritage of tolerance and understanding.

A friend in Red Deer challenged me and though what he said might be a little simplistic it was sincere. He said: "It is time for Canadians to stand back from their obsession with their own problems and appreciate what we have. It is time that we recognize that Canada is more than two founding nations". He said it was time for me, as an MP to stand up in Red Deer with a French speaking Canadian, the president of the Native Friendship Centre, representatives of the language and cultural groups of our city and proclaim, "We are all Canadians,

and we are all proud of it". I am proud of it and I am glad to represent the people of Red Deer.

[*Translation*]

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, it is a great privilege for me today to act as the spokesman in this House for the Acadian men and women of New Brunswick who met to discuss about the Constitution.

Of course, everybody is asking for the protection and promotion of their rights, the recognition of their specificity and, for some, a distinct status. With full knowledge of the facts, we would be ill advised to question the expectations put forward by many organizations and communities. However, if there was ever a group whose claims deserved to be heard and to whom we should pay particular attention in this debate, it is the francophones living across Eastern Canada, including Newfoundland and Labrador. They are a minority in every Atlantic provinces, but their history, not to say the history of their survival, is an eloquent testimony of a people's will to be recognized and to take the place they deserve and which is theirs.

In 1849, in a speech he was delivering in Montreal, Louis-Joseph Papineau spoke of the Acadian as a vanished people. He was one of those who believed that the 1755 deportation had achieved its goal, that is to wipe out forever the presence of the descendants of the first French settlers in America. The former Quebec Premier, René Lévesque, also talked about francophones outside Quebec as "dead ducks" In 1991, a Quebec writer stated before the Bélanger-Campeau commission that francophones outside Quebec were only "warm corpses". These statements reflect the lack of knowledge of many persons on Acadia and its people; but mainly they underestimate the determination shown by this people.

Stirred by their will to survive as a people, despite their dissemination on a wide territory and the fact they had almost no rights in the last century, New Brunswick Acadians managed to maintain their culture, language and specificity. The institutional infrastructure they gave themselves is just as good as the infrastructure of any other linguistic minority in this country. Let me remind you, Mr. Speaker, of their fight to get education in their own language and religion, a fight that began with the Caraquet riot in 1875 where Louis Mailloux died, becoming a symbol of those fierce battles.

What about the collective will they showed on the political front by succeeding in 1960 to elect as New Brunswick Premier one of their own, the hon. Louis J. Robichaud, whose program on equal opportunities allowed Acadians, men and women, to get at last their share of responsibilities in the daily management of provincial affairs and to get the benefits of a system that they did not before have access to?

The year 1963 marks the foundation of Moncton University, a university responsible for educating a very active and increasingly professional Acadian youth. The Mouvement coopératif acadien is also an example of collective success, with over 215,000 members and more than one billion dollars in assets.

• (2010)

In January 1992, the president, Mr. Raymond Gionet, said and I quote: "The Mouvement coopératif acadien wants Acadian men and women to achieve economic and social self-sufficiency by enhancing their quality of life and preserving their linguistic and cultural identity". A view I share, Mr. Speaker.

To stay in the business field, Assomption Vie has now become a pillar of an important financial group, the Groupe Assomption. Established in 1903 by Acadians deported to the United States, the Société Mutuelle l'Assomption always tends to promote the economic, social, and cultural development of Acadian communities. Several other groups play a key role in the development of Acadians, such as the Société des Acadiens et Acadiennes de Nouveau-Brunswick, the Fédération des Dames d'Acadie, the Société nationale des Acadiens, the Conseil économique du Nouveau-Brunswick, and so on.

So, you see, Acadian men and women in New Brunswick and throughout Atlantic Canada are far from being "dead ducks" or "*cadavres chauds*". They are dynamic Canadians who are willing and able to take part in the renewal of Canada. As they have showed in the past, they can significantly help the Canadian nation to develop and flourish.

However, I would like to add that the Acadian people I represent recognize the fact that the distribution of powers is severely unbalanced and that the structure and powers of some of our federal institutions are seriously

flawed. They are convinced that it is imperative to bring Quebec back into the Constitution and to recognize that province as a distinct society. In short, they are in favour of these changes, while being aware of the fact that it cannot be done without a great deal of openness, flexibility and generosity from both sides.

Acadians are also aware of the fact that they have benefited from the federal official languages policy which has helped their culture flourish since the 1960's and which has helped them obtain, in 1969, the promulgation of the act that made New Brunswick the only Canadian province that is officially bilingual.

In 1981, Bill 88, an act recognizing the equality of the two official linguistic communities in New Brunswick, was passed unanimously by the provincial legislature. If we cannot agree on what is required to promote and protect what Acadians have acquired, I insist that Bill 88 must be entrenched in the Constitution because, as I said to Prime Minister Mulroney and Premier McKenna in February 1991, and I quote: "In this time of uncertainty and at the dawn of profound and dramatic changes that will forever transform the face of Canada, the entrenchment of Bill 88 represents a concrete and positive measure for the most dynamic francophone minority in the country, the Acadian community of New Brunswick".

The unrelenting efforts of those men and women who contributed to the development of Acadia for more than two centuries must be used as an example and a source of inspiration to help us ensure the future of our children as francophones in this new Canada.

Now, Mr. Speaker, when you read *Shaping Canada's Future Together* where federal proposals are listed, you notice the concept of preservation of linguistic minorities outside Quebec. I think Acadians in New Brunswick are far beyond that stage. Our Constitution should entrench the promotion of minority groups in Canada as opposed to mere preservation. In that regard I share the following recommendation by Victor Goldbloom, our Official Languages Commissioner: "We recommend the inclusion in the charter of the goal of promoting French and English speaking minorities in Canada and support their development".

The constitutional reform Acadians want cannot be negotiated without taking into account a number of basic principles such as national unity, primacy of the Charter of Rights and Freedoms and recognition of fundamental linguistic rights.

Other principles are necessary such as the stated role of the federal government in equalization, regional development and support for essential ingredients of national identity, including the protection of official language minorities. Linguistic duality cannot be restricted to a Quebec–Canada relationship and to the recognition of a few linguistic rights in the Constitution. Mr. Speaker, linguistic duality should include recognition of linguistic communities which have a legal status and are endowed with the means to assert their cultural sovereignty and representativeness. That is why I support the following recommendation found in the report of the New Brunswick committee on Canadian federalism. I quote:

> That the Constitution be amended to include a clause recognizing the equal status, rights and privileges of the English and French communities in New Brunswick and that this equality include namely the right to have different educational and cultural institutions necessary to protect and promote both communities.

As the years went by, the Acadian community succeeded in setting up homogeneous linguistic institutions in the fields of education and culture as well as in the social and economic fields. Acadians are proud of this success which enabled them to progress at all levels and to stop the plague of assimilation.

Acadians have a future full of promise and it should be even more brilliant if their institutions are protected from hazardous political decisions.

If the federal government takes into account the claims of New Brunswick Acadians, both men and women, Acadian communities in the other Atlantic provinces could benefit from it.

The leadership shown by New Brunswick Acadians regarding constitutional matters is not an isolated initiative within the big Acadian family, but a well-considered strategy that 230,000 Acadians in New Brunswick chose so that their brothers and sisters in other provinces can benefit from their eventual gains.

I conclude, by quoting the first speech ever given by Senator Louis J. Robichaud almost 40 years ago, at the beginning of his political career in the New Brunswick legislature. He said:

> Our province is some kind of miniature Canada by the mix and the mentality of its ethnic elements. Let's try and profit from that situation by bringing the two groups and the two cultures to enrich one another. Let's be united forever.

[*English*]

I understand that we are allowed to table documents that are consistent with our presentation in the House. In that light, I would like to table this document that reflects many other views from the province of New Brunswick with respect to the propositions put forward by the federal government on the Constitution.

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, I am pleased to participate in this constitutional debate in the House of Commons this evening. It is an opportunity for me as member of Parliament for the federal constituency of St. Albert to communicate the opinions of the citizens of my riding.

I am grateful to all the constituents who communicated with me. It is obvious they are proud to live in a country that is free and peaceful. There is no doubt that my constituents are Canadians first. I am proud to represent the constituents of St. Albert.

A Canada united and strong is precious to me for what it is and what it will be. We are a young country, building on the northern half of this continent a society which is just and free, peaceful and prosperous, a society which cares for its people. I am proud to be part of this country.

My parents emigrated from Belgium. To them Canada was the land of opportunity and to me it remains so. I am the son of immigrants. I am proud to be a Canadian.

Many of my constituents are experiencing alienation, a feeling that our political system and our institutions have failed them. Many feel that the west must have a stronger voice in the decision-making process. Many hold strong views on constitutional reform. The Fathers of Confederation in 1867 united four provinces together into a federal system. Other provinces were to join later. Responsibilities were shared between the federal government and the provincial governments. The face of Canadian society has changed dramatically in the last 125 years yet the division of powers and responsibilities has remained the same.

It is evident that the people of St. Albert desire change. They want to be involved in the process. They want to see a more equitable balance between national objectives and regional aspirations. Many of my constituents are concerned about the future of Canada. They are frustrated with the apparent slow process or slow mechanism to bring about change. So many different voices are calling, requesting to be heard and understood, a consensus among Canadians must be found. I believe Canadians working together can find a way.

• (2020)

The Right Hon. Prime Minister has appointed, a native Albertan, but first and foremost a great Canadian, as Minister responsible for Constitutional Affairs. My constituents say without hesitation that he is the best man for the task of ensuring that Canadians remain united.

Constitutional discussions by Canadians have been held from coast to coast to coast. The members of the all-party constitutional committee are listening and will be reporting to the House of Commons by the end of February. On behalf of the residents of my constituency, may I express our appreciation to the members of the committee. May the Lord bless its deliberations.

On the road to constitutional reform, there are many issues to address. In the limited time available to me, Mr. Speaker, I will touch on a number of key issues which my constituents consider important in the ongoing discussions. There is support in my riding for Senate reform. My constituents are of the opinion that the appointed Senate has failed to protect regional interests. The Triple-E Senate, elected, effective and equitable, along with proportional representation, received strong endorsation.

The distinct society is a Canadian historical reality. In the Quebec Act of 1774, the British Parliament recognized the distinct society by allowing Quebec to retain its French language, its cultural and civil law. In the British North America Act of 1867, it was restated by the Fathers of Confederation. Quebec has always been distinct. I know there are some people who have difficulty with the word distinct. In French, distinct means

different. In English, there are many interpretations from not identical to superior. Quebecers are different, but then many would say that Albertans are different. We are all Canadians, we are equal.

As knowledge of our Canadian history grows and the intent of this clause is better understood, the support for distinct society is growing.

[*Translation*]

Canada is a bilingual country. In 1969, the Canadian government passed the Official Languages Act. The majority of people in my riding accepted that legislation. The former Prime Minister of Alberta, the hon. Peter Lougheed, said: "Bilingualism is the essence of our country". I am pleased to have the option of speaking in English and in French.

[*English*]

My electors want a strong central government that will deal with the unity question, the economy and the environment. There is strong support for aboriginal self-government and for full movement of people, goods, services and capital across Canada.

Canadians are anxious to settle the constitutional question and to move on to the economic issues of the day. In a letter I received recently, a Grade 6 student writes: "Canada is my country. I love my country." and she asks "Don't Canadians care about Canada?". An 80-year-old gentlemen tells me: "We don't need the Council of the Federation. We have too much government as it is.". A woman in my riding said: "If we are to save the country, the media better stop dramatizing our differences and focus on what Canadians have in common.".

I share my constituents' concerns about the decorum of MPs in the House of Commons, the constraints of party discipline and the need for more free votes.

Canadians working together have built a nation that is respected and admired around the world for its high level of freedom and opportunity. Unfortunately too many Canadians take Canada's successes for granted.

Today there are forces at work in Canada that would divide this country. They want to destroy our Canada. The constituents of the federal riding of St. Albert want a united Canada redesigned to meet the challenges of the 21st century.

Thomas D'Arcy McGee was right about Canada's future when he said: "Each generation of Canadians has left the country more prosperous, more self-aware, more respected in the world".

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to say in beginning my remarks that, like many Canadians, I think it is difficult to concentrate on constitutional matters when we know there are so many people across this country who are suffering job losses and really have very deep fears about the future for themselves and for their children.

In Vancouver East this is the view of many of my constituents. Yet at the same time they care very much about the future of Canada.

Tonight I would like to take this opportunity to put on the record the conclusions of two organizations that met and are meeting in Vancouver and particularly in Vancouver East. They are very concerned about a special constitutional issue, that issue being the protection for minorities which is so important in our Constitution.

I would like to table one report which is entitled *Rule of Law Betrayed, a Charter with an Expedient Override*. This report was prepared by members of Coalition 33, most of whom are Chinese Canadians and it is a Vancouver group.

The second report I will refer to was prepared by my own Vancouver East federal riding association following a series of meetings we had over the summer months. We also concentrated on the protection of minority rights so that will be the topic of my presentation tonight.

Minority groups in British Columbia and across Canada have experienced racism and discrimination in the past which must never again be tolerated. We must remind ourselves of our history. The racist Chinese head tax, an exclusion act, the internment of Japanese Canadians, the denial of the vote to Asians and aboriginal people, the discrimination against black Canadians and persons of colour in all regions of Canada, and the rights of women and persons with disabilities continue to be ignored.

When the charter was first approved in the early 1980s, section 15 was passed in Parliament and these groups thought their rights would be protected under the law. Section 15(1) reads:

> Every individual is equal before and under the law and has the right to equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age, or mental or physical disability.

Section 15(2) allows for affirmative action programs to be developed.

Minorities soon learned that equality rights were not as well protected as they thought because section 33, which is known as the notwithstanding clause of the charter, allows federal or provincial governments to override the equality rights which they thought were guaranteed.

Both of the organizations which I referred to in Vancouver have studied this dilemma very carefully and they have concluded that section 33 should be repealed. It should be repealed because it can be used by provincial or federal governments to override the rights of minorities. The Canadian Ethnocultural Council and its many affiliated organizations across the country also support the repeal of section 33. New Vision Canada, an organization dedicated to providing non-partisan political education to racial and ethnic minorities, also has begun a national campaign to amend the Constitution to ensure that equalities which are guaranteed in section 15 are not suspended by the application of section 33, the override clause of the charter.

• (2030)

We have a lot of concern, growing concern, as minority groups are studying these matters and becoming much more aware that indeed rights they thought were enshrined in the Charter of Rights and Freedoms really are at risk because of the override clause.

In my riding of Vancouver East, in meetings on this subject of equality rights, we considered several alternatives, all with the goal of protecting section 15 and the equality rights section from the override by section 33. I would like to just very quickly present the conclusions and the recommendations which we came to, which have both the ideal solution—which is, of course, the repeal of section 33—and also some of the interim things that could be done because it may be difficult to get consensus on complete repeal during this round.

The first proposal we would make is that the override clause in its present form is unacceptable. The purpose of enshrining basic rights in the Constitution is to prevent government expediency from implementing policies that discriminate against minorities and also disempowered groups. We agreed with Coalition 33 and also the B.C. Coalition of Persons with Disabilities that section 33 is a very frightening clause, especially for minorities.

On the other hand, we also recognized the concerns of many of our own members that judicial decisions of the Supreme Court of Canada are often very regressive. We have seen this in some of the decisions that have been made already in charter cases. Also governments that are concerned with collective rights feel the need for more flexibility, and therefore are in favour of an override clause of some type.

However, it was our opinion in Vancouver East that any override clause must never override equality rights with the loss of protections for minorities.

Our second option was that while we prefer the repeal of section 33 from the Constitution, we recognize that political realities may make this difficult to achieve. Therefore, we recommend that any override clause must be difficult to invoke. Specifically, we propose that a special two-thirds majority of government and Official Opposition members of Parliament should be required. This would allow the override to be invoked in emergencies but would prevent it from being used as a simple political expedient by governments. It is interesting that our recommendation is much tougher than the 60 per cent majority which was proposed in the government proposals.

The third option that we suggested was a final alternative which we hope will be achievable in this constitutional round. This proposal is that at the very least the override clause should never apply to section 15 of the charter. This would require an amendment to section 33 which would read "notwithstanding a provision included in section 2 or section 7 to 14 of this charter". You notice that we changed the number from section 15 to section 14. This amendment removes application of the override clause to equality rights.

Minority groups and Canadians concerned with protection of equality rights have deep concerns that their rights may be overridden in the present Constitution. Experience has shown that they are valid concerns and fears, that there is a great risk with section 33 still in our Constitution.

We appeal to the parliamentary committee on the Constitution and to the government decision-makers, both provincial and federal, to amend or repeal section 33 so that this can never happen.

In conclusion, I would just like to say that, like most Canadians, we hope that constitutional renewal will be completed expeditiously with recognition of the distinctiveness of Quebec and aboriginal Canadians and the inclusion and protection of the rights of all Canadians in a multicultural Canada.

I say once again that I would like to table the report that I referred to earlier in my remarks so that it will be available to the constitution committee.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am delighted to have an opportunity to speak here this evening on behalf of my constituents and try to represent the views that they have expressed to me in regard to their feelings toward the current constitutional debate that is going on our country.

I would like to begin by quoting Edward Blake some half a dozen years after the beginning of Confederation when he said: "The future of Canada depends very largely upon the cultivation of a national spirit. We must find some common ground on which to unite, some common aspiration to be shared and I think it can be found alone in the cultivation of that national spirit to which I have referred".

That has been the driving guideline by which most of my constituents have approached their national government. My constituents believe that it is absolutely essential for a national spirit to have a strong national government. We cannot galvanize the will of this country unless the national government is in a position to manage national programs. It is, after all, from national programs, whether they be health care, educational standards, economic standards, environmental standards, and only when we have the approach of national standards that we can create this spirit.

My constituents are telling to me that right now there is too much decentralization going on in this country, that there is too much of the national fabric being dismantled. They are concerned that in this process of Constitution, in the effort of the national government to try and accommodate the various requirements or the various demands of the provinces, that spirit might be weakened to the point where the will to want to hold it together will no longer be there in some regions of our country.

On behalf of my constituents, we want to reaffirm the position that we took in 1984. We were a community that had some concerns about the Meech Lake Accord. We had a very strong campaign on amendments to Meech Lake and we were concerned about Meech Lake for two very specific reasons. First, we were concerned about minority rights. To be specific, the distinct society clause was a very controversial issue in the last campaign that I participated in and to this day. Quite frankly the mood has not changed that much.

If distinct society means that no culture is less than or greater than another culture, my constituents have no problem with the distinct society clause, but if distinct society means that there is a preferential status given to a particular group then my constituents were opposed in 1984 and they are opposed today.

• (2040)

That is essentially the clear message that I am getting on that very controversial clause. It would be fundamental to my constituents that a clarification on what distinct society means be laid out clearly in the current constitutional debate.

There is another area that we talked about during 1984 and we continue to talk about. You must remember in an urban centre like downtown Toronto we have people coming from all over the nation. For example, I have over 5,000 people in my riding from the province of Newfoundland. The people in my community are concerned about those regions that do not have the same resources as Ontario or even Quebec. They want a strong national government so that on economic matters the strong can help look after those regions that need help. They need help in terms of quality of life, the standard of life, resources to universities, resources for making sure that environmental standards and programs can be maintained.

Where they may not have the resources in their own province, their own region, they count on the national government to say to Ontario: "Listen here, you must share with those disadvantaged regions". That is part of the process of building a national spirit.

I hear repeatedly that we are in very tough shape economically right now in Toronto. We have very tough unemployment problems. We are losing industry, manufacturing specifically, because of the world conditions, some say partial free trade problems and a whole mixture of things. I am not going to pit it at any particular issue.

We know in our community, and I hear this repeatedly, that our best way of working this out is by making sure that this government, this room that I am speaking in right now, this nation's boardroom, not only speaks for Toronto and not only speaks for Ontario, but speaks for every region of the country so that the standards that my children enjoy can be the same standards that the children enjoy in every other region of the country.

We cannot do that, Mr. Speaker, if we so decentralize the national government that it basically becomes almost like a *maitre d'* to the 10 provincial premiers. My constituents do not want that to happen.

Right now the Government of Canada is supervising probably the loosest federation anywhere in the world. Its powers have been so diminished that when we do get into deep problems economically. It is very tough to manage our way out of them. My constituents are begging me to take the message that this Government of Canada must be strong.

It is not only in terms of domestic issues. Quite frankly, we have to be concerned about who speaks for Canada internationally. Right now we have provinces that have trading houses or consul houses in 20 or 30 different countries in the world. For example, you can go to Italy right now and you will have an Ontario House there, a Quebec House there and a New Brunswick House there alongside the embassy.

The same exists in Japan, Hong Kong, Paris, and England for people who are looking at Canada for investment opportunity, for joint ventures or for trade.

I have talked to some of these people and they want to know who speaks for Canada internationally. Is it the province of Alberta? Is it the province of Ontario? There can be no mistake that internationally there should be one voice speaking for Canada and it should be the Embassy of Canada, representing all of the provinces. How can a province that does not have the resources of Ontario compete in international affairs? It cannot. It counts on a national embassy to represent all regions properly.

In summary, my constituents are saying to me that we must have a strong national government. We must have national programs and national standards because that is where we create national will.

If we are to have a distinct society, it must be defined in a way where no culture is less than or greater than any other culture. If we can use those things as our guiding principles, then they will create values of caring and approachability and an action oriented community that can be the envy of the world.

[*Translation*]

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, I am pleased to participate in the debate this evening on the future of our country.

I have the pleasure and the honour to represent the riding of Châteauguay, which has a population of approximately 100,000 people, of which some 20,000 are English-speaking and 80,000 are French-speaking. The francophones and the anglophones, as well as other ethnic minorities in my riding, are all proud to be Canadians.

I truly regret that some dream merchants try to capitalize on certain aspects that could divide us as Canadians. Our country has a lot more in common, a lot more things that unite us than that divide us. Unfortunately, some people derive great pleasure from denigrating it and to showing only the things that divide us, while dismissing everything that unites us and makes us envied by the whole world.

Do you know, Mr. Speaker, there are millions and millions of people throughout the world who have one dream, and that is to become Canadians. Some Canadians say that it is unbearable in our country and they find all kinds of metaphors to describe our country as bad and mean. It seems to me that those people should realize that there is nothing to be gained by destroying but there is everything to be gained if we can set aside some differences—and those differences do exist—and work together to make this country even greater, even better than it is now.

Today, I call upon the common sense of Canadians who have always shown great generosity, flexibility and understanding. Proof of that is the attitude they displayed by accepting me as a Canadian and electing me to the House of Commons. I believe there is clear evidence that Canadians can be flexible, generous, understanding, and that they can live together.

I represent a riding in the province of Quebec where some bitterness and after-effects still linger following the patriation of the Constitution in 1982, when Quebec was excluded. These after-effects are serious, among francophones as well as among anglophones. I hope that this time around we will take that into account and be able to give to Quebec, as well as to the rest of Canada, their place in our great and beautiful country.

What do Quebecers want? I do not think their objectives are to diminish in any way the greatness or the wealth of Canada.

• (2050)

On the contrary, I think Canada will come out of this enriched and even more beautiful. The fact that Quebec wants to be recognized as a distinct society does not mean that it will consider itself as superior or have any more privileges than the rest of Canada, not at all. Quebecers are only asking to be recognized for who they are. Whether we like it or not, Quebec is a distinct society—a fact acknowledged in the British North America Act—with a different culture and language and its own Civil Code. Many arguments support the notion that Quebec is indeed a distinct society. It seems to me that wanting for all of this to be entrenched in the Canadian Constitution is not such a big deal.

Quebec is valuable to the rest of Canada and vice versa. The fact that we speak French, that we have two main languages and cultures—I say main because there are many cultures in Canada, but two main languages and cultures—only makes Canada richer. Everyone's dream is to come to Canada. Wherever I go and talk to the people—as you know, I have travelled around the world twice and lived in 35 countries, so I have met quite a few people—all they can think of is: how can you become a Canadian? It is hard to understand that while all those people dream of becoming Canadians people already here who take it for granted try to malign them. It is completely baffling. There are people who say that Canada is harmful to Quebec's interests, but how do we reconcile that with the fact that Quebecers were able to develop their full potential with the rest of the country's citizens, without any restrictions, and that they even have the right to come to the House of Commons and denigrate them when they feel like it? It seems to me they have never in any way been oppressed or deprived of their freedom.

Since Quebec is an asset near and dear to us all, we should all try to understand Quebec's point of view. Quebec has been hurting since 1982. Let's try and understand this and try and bring Quebecers back to join the rest of Canada so they will feel truly Canadian and be proud to carry a Canadian passport. Mr. Speaker, I am sure that if we manage to reconcile and recognize the existence of these two founding peoples of our country, both the anglophone majority and francophones, especially in the province of Quebec, I don't think the going will be quite as rough as people would have us believe.

I am sure that many of Quebec's claims could be satisfied without even touching the Constitution. As the previous speaker pointed out earlier, there is a certain amount of duplication by the federal government and the provinces. In the first place, this duplication costs us a lot of money, and in the second place, it creates a certain amount of rivalry between the provinces. I think that in the interests of all concerned we should start eliminating these areas of duplication as much as possible. We could do the same thing about federal employees in quite a few departments. If we could conduct this exercise in good faith, I am sure that many of Quebec's demands could be met. And as far as the distinct society clause and perhaps the division of powers is concerned, Canada is not going to stop breathing just because of that. Canada is a great country, but with Quebec it is even greater. Quebec is very rich as part of Canada. It seems to me we could bring this commonality of interests together, Mr. Speaker, and it would be in the interests of all Canadians.

[*English*]

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have had many conversations with constituents of Fraser Valley East about the future of our country.

It is not news to say that they distrust politicians, myself being excluded from that group. They wonder if we are listening. They are sceptical and are looking for action. They are concerned about the future of Canada. They do not want to see the country torn apart. They question the sincerity of the governments resolving the present problems.

They say that having more free votes in the House of Commons is a very popular initiative. For too long members have been seen as being Ottawa's representatives in the ridings, rather than being the ridings' representatives in Ottawa. I am told by many that this change will go a long way to improving people's confidence in elected members.

There is a feeling of alienation. People feel that even when they have their say it does not make a difference. They feel alienated from their own government and they feel alienated from other parts of Canada.

I can tell you that the people of Fraser Valley East are just like many other Canadians. They are tired of feeling left out. This is their country. They work hard and are proud of their contribution. They want to feel included in their country. Sometimes they feel, as do many other British Columbians, that being on the other side of the Rocky Mountains is like being in Siberia.

Like many Canadians, residents of Fraser Valley East want to be clearly represented in Parliament and they say more freedom from party discipline is an important first step toward that end.

The people of Fraser Valley East are concerned about what goes on in Canada. They are concerned for a united Canada, yet there are many national policies they question. They wonder about the official languages policy and multiculturalism. They question the approach being taken to resolve the issue of aboriginal rights. They see these policies in a negative light because they find them to be driving people apart rather than bringing them together. They see these policies as building walls instead of bridges. What they want to see is cohesion and a real sense of nationhood.

They do not want to see a broken Canada. They want to see a united Canada, where all individuals have the opportunity to go wherever they want in Canada and to be whatever they want. They want to see their government committed to fairness. The people of Fraser Valley like other Canadians are very concerned about the future of Canada.

Because they have felt left out for such a long time, when my constituents read the 28 proposals they wondered why it seemed that there was so much for Quebec. Why are we left out? From where they stand, they see this as unfair and this gets their backs up.

The issue of the distinct society is a sore point to many. They acknowledge that Quebecers are different; they speak a different language and have a different culture. They say to me: "Fine, distinct in fact is one thing; distinct in law is another". From where they stand, they distrust the concept of distinct society. They are wary of too much power for the provinces. They see this as divisive and they see the concept of distinct society as contributing to further divisions.

Constituents of Fraser Valley East want to see a strong federal government that will work to keep Canada together. Until they see the historical background on how Canada was put together, there is that great question mark. All and all, people do not understand enough about Canada's history.

The people of Fraser Valley East want to see a strong united Canada. Many people have written to me over the seven years that I have been a member of Parliament and national unity has been a concern.

In recent years, the concern about the future of Canada has increased. I read the letters and listened to what people had to say and after they were done with airing their complaints they told me that they believe in this country and wonder why we are having so many problems when we have it so good.

My constituents say: "Look at other countries. We have so much going for us and we seem to have such problems just getting along with each other". The bottom line is that they do not want to see us throw away such a great country.

• (2100)

Rosedale is a small community in Fraser Valley East. The Canada Day committee, which normally organizes festivities on Canada Day, got together and went over the 28 proposals. The chairman, Fred Brian, and the secretary, Mary Sash, worked with 16 other concerned citizens of Rosedale to come up with a comprehensive brief that they submitted to the Minister Responsible for

Constitutional Affairs. Several other individuals have contacted me directly with their views on the proposals.

Although I have given the House a taste of what Fraser Valley residents are thinking, I must make a few qualifying statements about some of the comments that stand out from the rest.

People who have been to Quebec generally hold views that are different from the majority of those constituents who have not. These people found Quebecers to be warm and generous. They found that the hospitality was overwhelming and that in reality, the people of Quebec were not much different from any other people they had met.

Sure, they spoke a different language, but they were hard-working people who, much like British Columbians, felt a little left out of the goings on of their government. It seemed that the feelings of alienation were shared.

The British Columbians with whom I spoke and who have visited Quebec often tell me about the history of Quebec and the fact that Quebec is a culture of six million francophones surrounded by a sea of some 20 million anglophones. So maybe they are right to feel a little paranoid about their culture and language.

These British Columbians still do not like the fact that Quebec has a sign law which limits English on outdoor signs. What people are telling me is that we need more understanding. British Columbians feel left out. So do many other Canadians, including Quebecers. In many ways they are not left out at all, but if they feel left out, they are.

The perception often denies the fact. People want to believe they are involved. They want to be part of the larger whole. They want to be heard. They want to see their views acted upon. The perception has to change.

People have to feel that they are included. They have to feel that they are on the same footing with Canadians in other provinces. The only way to do this is to ensure that Canadians understand one another. In the heat of anger many say that this group or that group should go their own way, but when they keep talking and they explore all sides of the issue, they admit that they are simply frustrated and that they really want a united Canada where all people feel included.

My parents came from Shawville, Quebec. They moved to the prairies and I was born in southern Saskatchewan. I live in the Fraser Valley of British Columbia and I am proud to serve my country in this House of Commons.

I am a Canadian and I can tell you that I have a lot in common with my constituents. We are proud Canadians who care deeply about our country. We believe in fairness and we believe in justice. Compromise is fine if the trade-off is mutually beneficial.

We know there are certain costs involved with keeping the country together, especially a country as broad and diverse as Canada. We in the Fraser Valley, much like Canadians from other parts of Canada, want to be understood. We want to be included.

In closing, I would like to share with you a quote from a letter I recently received, simply signed "John". This constituent writes: "My deepest hope is that our country will be able to elect some leaders who can distinguish between good and bad proposals and act accordingly, leaders who stand for what they see to be right. I trust that after we have finished this round of consultations, we will be that group of leaders who can indeed distinguish between good and bad proposals and act accordingly and may each of us reach a mutual understanding for our country".

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I am very pleased that members of Parliament were given the opportunity such as we have this evening to speak in the House to what the constituents in our ridings have to say on the current constitutional issues before us.

All of the constituents in my riding of Northumberland have indicated to me that as far as they are concerned, the major issue today in this country is the economy. They wish to see our economic circumstances turned around so that we are able to find jobs for all of those who are unemployed, training for those who need new skills, and literacy for those who are unable to cope with reading and writing skills in our society.

On the other hand, although that was recognized as the most important issue, there are many people who spoke to me in my constituency of Northumberland about the issue of the Constitution and how strongly they felt about that.

There were many people in Northumberland who recognized that, although the economy is the major issue today in our country, they understand the linkage between us finding a resolution to our constitutional impasse and the well-being of our economy.

Before the present 28 proposals were put before the House of Commons and the Canadian public in general, last June in my householder, which all members of Parliament are able to send out to constituents, I included a questionnaire on providing the opportunity to respond to some questions which seemed likely to be the subject matter of proposals put forward to the Canadian nation with regard to constitutional issues.

By October, when I sent out another householder, I had a total of 941 responses.

At that time, before we had the government's 28 proposals, I had a sense of where people in my riding were coming from. For example, when asked about our attachment to two official languages in this country, our bilingual policy, I had 45 per cent of people respond in the affirmative and 46 respond in the negative as to whether our Constitution should recognize our attachment to two official languages. We had a situation in which there was almost an even split on that issue.

A larger percentage of people showed support for our multicultural characteristics as a nation, 56 in the affirmative versus 31 not supporting that.

The distinct character of Quebec did not have as much support. It was two to one against recognizing Quebec's distinct society, but certainly since that time and with the proposals that were put before the people of Canada and in my riding of Northumberland there has been increased support for recognition of the distinctive characteristics of Quebec.

The largest support expressed was by the people of Northumberland for the recognition of the historical role of aboriginal people within Canada.

There was overwhelming support for the notion that we must have unrestricted trade barriers among the provinces. There was overwhelming support for a reformed and elected Senate. There was also support for the idea of the Senate approving appointments to federal agencies and institutions. There was support for the idea that the federal government and the population of Yukon and the Territories should decide when a new province is to be created.

Subsequent to the government having tabled its 28 proposals, I have had several meetings with constituents in the riding of Northumberland, a total of over 12 meetings. By the time I had presented a report to the joint House of Commons–Senate constitutional committee, I had 12 meetings. I have had additional meetings in my riding. I have had over 500 people attend these various meetings and discuss with me their views of the 28 proposals.

I would like to share this evening the response of my constituents to the government's 28 proposals. The meetings should be described as well.

• (2110)

I had advertised in my householder and in local newspapers that I would be holding four public forums throughout my riding. I held those forums in Hope township, Hamilton township, Warkworth and Trenton. Besides that, my other meetings have been held in private homes, in schools and in churches by different groups at their request throughout my riding. As I said, over 500 people have attended these various meetings and they have represented populations from across the whole of my riding, people in Port Hope, Hope township, Cobourg, Hamilton township, Brighton, Warkworth, Trenton, et cetera.

With the exception of one public forum held in Trenton, the general consensus at my meetings was that those present were very concerned about the uncertainty of Canada's future and wished, above all, to maintain a united Canada with a strong federal government.

However, all those who attended my forums did express the view that there were limits beyond which achieving the above desired result would not be worth while, and it is important to note that.

The one public forum I had that expressed a diverse opinion from the others expressed the view quite strongly that our present bilingual and multicultural policies should be scrapped in favour of an English only official language policy, and basically a commitment to Anglo-Saxon Christian values as the basis of the Canadian cultural identity.

Other meetings, happily for me, were all much more accepting of our country's official bilingual policy and multicultural policies as long as they applied equally to every province. There was great concern expressed about the English only law as it exists at present in Quebec. Although the majority of people supported our bilingual policy, they felt that it must apply to all languages equally.

There was mild acceptance of the idea of a reformed Senate and Supreme Court appointment process. There was strong acceptance of native peoples acquiring self-government and recognition of their inherent rights.

There was mild response, both negative and positive, to the issue of entrenching property rights and there was mild acceptance of the idea that Canada needed free trade in persons, goods, services and capital.

I have presented the findings of Northumberland to the joint committee and it has the document from which I was reading. As a follow-up, I would like to read a letter which I received from the Corporation of the Town of Port Hope which I feel in general expressed the views of my constituency. It was informing me of a resolution passed by the Port Hope Municipal Council on November 25, 1991 which states: "Whereas we are first and foremost Canadians and, whereas our country is in grave danger due to the constitutional crisis and, whereas our forefathers and our citizens have fought and given their lives to preserve this great country as one nation, therefore be it resolved that Council of the Town of Port Hope contact the leaders of the major political parties to urge them to set aside their political agendas and differences and work together as Canadians to resolve this crisis and develop a Constitution acceptable to all of our citizens, and furthermore, that the only acceptable solution to this issue will result in an undivided nation from east to west called Canada."

I would like to say that I concur with the majority of my constituents who hold the same view.

The Acting Speaker (Mr. Paproski): If the hon. member has anything else she would like to file with the Clerk she may do so as far as her notes are concerned.

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, this evening I will be brief in my commentary due to the fact that I know there are a number of members of this House who want to participate in this particular debate. I think it is important that we all have the opportunity to stand in this House and discuss our opinions or points of view on the future of our country. Like many others who have spoken this evening in the debate and in other parts of this discussion, I had the opportunity to bring together a community committee which took a long, very deliberate look at the proposals that were brought forward.

The process the committee went through was twofold. Along with discussing and explaining to the members of my constituency, they also took the time to listen to the concerns and opinions of the people who live within the constituency. As a result, they drafted quite a significant report.

I was very fortunate in the fact that they, along with many other community groups, had the opportunity to come before the joint House and Senate special committee to make their presentation. I truly believe they delivered a very significant message on behalf of the constituents of Selkirk—Red River.

I do not particularly agree with all the points that were brought forward, but I do know that the work of the committee truly reflected what they received as well as the information they brought together and their own discussions.

I would like to commend the work of what has been called the Schreyer committee in Selkirk—Red River for its efforts. I truly hope that in the future when we go to the next stage that the opportunity to once again participate in whatever manner the discussions of the legislation proposed by the government.

It is my opinion that as we talk about the efforts of the past, it is more important that we endorse the efforts that will actually start this evening because the joint special committee has now set aside its public hearings and now goes into the process of writing a report. It is important that all members of the House endorse their efforts.

In my mind and with the time I have spent with the committee, I think there is a real effort to come up with a proposal that the government and the provinces will be able to work with so that in the very near future we will be able to resolve probably, the most important issue in the country today.

It is important that all Canadians understand that. I use a personal experience: "You never win an argument but I have always been able to negotiate a good arrangement". I truly believe that is the basis of whatever we will be able to resolve.

I believe that the future of my country is not only in the hands of the joint committee, it is in the hands of the government, members of this House, the premiers in the legislatures and all Canadians. It is my sincere hope that all Canadians will take the time to understand and respect how the other citizens of our great country feel about themselves and about each other.

I look forward to standing in this House in the very near future to debate the legislation that will come forward on behalf of the government.

• (2120)

Mr. John E. Cole (York—Simcoe): Mr. Speaker, it is certainly a pleasure for me to speak tonight in the House of Commons on behalf of the York-Simcoe Constituents Committee for Constitution Change.

These people from the riding of York—Simcoe have dedicated virtually every Saturday morning since the end of September to study, to understand, to question, to challenge the proposals brought forward by the Prime Minister and the government on September 29 last.

These people began this with the dedication and the belief that their contribution to this country, a few hours a day spoiling virtually all their weekends for other activities, would make a difference. They were prepared to make these kinds of sacrifices. They believe very strongly in a united Canada.

Seventeen people started the end of September on this particular committee. They took the challenge to focus the debate that was out there in the country on the various proposals that the government had put forward. They took as part of their objective a need to foster a broad discussion among various groups in the community. In addition to those Saturday morning meetings they had five or six public meetings spread throughout the riding.

As part of their objective they were going to attempt to facilitate the achievement of consensus. They were going to try to get an understanding among people as it related to those particular proposals. They were going to make changes. They were going to propose changes and refinements and alternatives to the proposals that had been presented.

Of course, they were going to concentrate their efforts on the three main areas, defining Canadian identity, change and more responsible government and economic reforms to encourage growth and prosperity, all very laudable objectives.

Who are these people in my riding? They are people from throughout the riding of York—Simcoe. They are from Bradford, Georgina, Tecumseh, Newmarket, just a wide selection of people. They are teachers, students, business people, municipal leaders and representatives from minority groups. There are even a couple of lawyers. They all get along. They had their differences, they argued and debated, and debated very strongly and were able to come up with proposals and recommendations on virtually every one of the proposals the government brought forward. I am very pleased to be able to present this document to the House tonight on behalf of these people.

I want to talk a little bit about some of their comments concerning the process and what they went through. I am going to quote a few things from their report. One of the things they said was that during the course of these hours of work—reading, researching—, preparing for the public forums, preparing to hear neighbours' opinions—these members became more—aware of what Canada means to all of us. "We came to appreciate the richness of our French-English heritage, the cultural diversity new arrivals contribute to our national fabric, the things we share in common as well as our differences". Most of all, this group of people in York—Simcoe believe that they are representative of the people from Halifax to Victoria, they are Canadians who are very proud to be Canadians and they want to make Canada work.

The committee felt that its mandate was to consider a Constitution which must serve Canada for many years to come and so requires a long-term view. They were not looking for quick fixes. The committee endorsed the recognition of the French speaking society of Quebec as distinct from the rest of Canada. They felt very strongly about the provision for self-government for our aboriginal peoples because they felt it was long overdue. These Canadians felt that this constitutional debate and the wrangling and everything else that has gone on, whether it be in the media or in this House even, has long focused

too much energy on what divides us. Maybe it is time now, Mr. Speaker, as they report: "Canadians now need things of a positive nature, things that we can reflect on with pride and identify with as symbols of our Canadianism, things that are Canadian". That is what these people talked about.

The Canada clause which identifies many of the values associated with being Canadian is an essential ingredient of our new Constitution. That is what this committee felt. They said: "Canada, geographically one of the largest nations on earth, is beautiful and diverse, abundantly endowed by nature, with a fascinating history, a rich multicultural fabric, a democratic history and a caring social tradition that we are proud to call our home".

They went on to discuss a number of other things. I do not have time tonight to get into all the details, but they brought in a report that suggested the Senate should have equal representation from the provinces as well as the territories. They felt that could be balanced out by including in the votes that take place in the Senate the rule that the votes must represent 50 per cent of the population. They felt that was a way of balancing out the difficulty with the Senate. I think that has a lot of merit.

They also mentioned another interesting aspect. Through their debates and discussions toward the end of the process they recognized that when they talked about the provinces they were really including the territories. They felt that this was a good time to bring the territories closer to provincial status in this country.

There was obviously much concern about the aboriginal situation and their right to self-government. Because of our affiliation with the aboriginal people in Georgina Island there was a lot of love and respect for what this group of Canadians has done. My committee group felt that self-government should be addressed on an individual basis, on a band-by-band basis, but at a much quicker pace. They do not want to wait for 10 years, they want to do something now if the band is ready and able to do so. They really felt it should be the responsibility of the band to do that.

There are a number of suggestions that they made, as I said, relating to virtually all the proposals. I am sorry that I am not going to be able to get into all the details of them tonight in the time allowed me. But I do want to say that these people worked very hard and were very honoured and privileged to appear before the joint parliamentary committee yesterday. They really feel that they have been part of the process.

I want to conclude with a letter from one of my constituents, Mr. Sergeant of Bradford. This is what he says:

> Am I going to sit back and let someone take a piece of my country away from me? Or am I going to fight for it like they do in other countries? I think it is time we all stood up for Canada. I have had enough; I think it is time to put an end to this Quebec separation once and for all. I am a man of English heritage. I married a girl of French heritage. We were both born and raised in Toronto and together we raised seven children. Would we not represent both sides in thought, heritage and country?

He asked me if it would help for him to get involved because, he said, "We are prepared to go to Quebec and talk to those people in Quebec and convince them of the need to keep one united, strong country together".

Mr. Speaker, the people of York—Simcoe have been heard and I am very proud to be able to represent them tonight. I will table their report.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, "Canada is a society of freedom, tolerance and compassion". This is the message in the opening of the new federal government constitutional proposals entitled *Shaping Canada's Future Together*.

I would like to say at the outset that my party, under my leader Mr. Jean Chrétien, has earlier stated the framework upon which we will examine the final package to be presented in this House.

• (2130)

Let me just mention a few of them. We would like a Canada that will set out the will of Canadians to live together in a federal state, the principles of which we would like to be sharing together.

We would like a Canada committed to the Charter of Rights and Freedoms to preserve and strengthen fundamental rights and freedoms.

We would like a Canada with a strengthened economic union where barriers between provinces would be removed. We would like a Canada where the division of powers exists which best serves the needs of people, not governments or bureaucrats or politicians, and a system

that will provide the flexibility to meet the changing demands and challenges of the future.

It is because of these constitutional proposals and the future of this country that we are here tonight in this place to speak to all who will hear in the hope that they will listen.

I believe Canada can be many things. It is a beautiful nation that sweeps north to south and west to east with wonderful people who have hearts as large as the country itself.

Above all, Canada is what you make it. It is a place where caring individuals and likewise a caring government can make a difference. It is like a lovingly sewn patchwork quilt, with each square of a different design. Today the quilt is worn around the edges and is beginning to fray, but my own square of Winnipeg North still has hope that this quilt may yet keep us warm even in these troubled times.

The economy has made my people afraid for this coming year. They are afraid that they may lose their jobs or never be able to find one. It is their foremost concern. I am pleased to say that my leader has announced on behalf of the Liberal caucus a five-point proposal on emergency economic reform to bring Canada back to work.

I am equally pleased to say that this government has already agreed to adopt one of our economic proposals. These proposals are timely for my constituents who fear for their families and their futures.

To them, for the most part the constitutional talks are like a conversation on the other side of a door. Bits and pieces reach your ear, but the whole escapes you.

They find the 28 proposals too large, unwieldy and time consuming to compete with their everyday thoughts of living. Yet they do indicate to me that there are three or four key issues which warrant federal attention.

First, the distinct society. They want this issue front and centre of the constitutional debate. They want it settled. Most have only kind words for Quebec and they want a united Canada.

"Lay this issue to rest," they say, "mend the tear."

Second, a reformed Senate. My constituents feel the west is underrepresented in Ottawa and we want an elected, effective and equal Senate.

Third, aboriginal self-government. The future health and viability of our native people also concerns the people of Winnipeg North. Many of my constituents come from other countries and now call this country home, but they do not believe it is right to displace one people for another, one race for another and one culture for another. All can live in this country in harmony, independent and with dignity.

Fourth, they would like a strong and caring central government.

I have had more time to study the proposals. That is part of my job. I believe the things I will say might also be the feelings of my constituents.

I look at my colleagues. I know most of them personally through our years of working for the communities of Canada. I feel with them a communion. I trust that I can speak freely with you about my feelings for our future in the country we call home—for most, their country of birth; for me and others, our country of choice.

What will the future hold for our country? Where will we be when the ink has dried on our new constitution, further behind or further ahead? That is up to you and me.

Here in Canada many things were taken for granted for many years. People believed they would have jobs, a home for their families, enough money for retirement, a bright future for their children. These are some of the things we take for granted as our due, but just being Canadian is not a guarantee we will have all these things. We have to fight for them.

There is one statement in particular in the new constitutional proposals that should spark a revolution. The government said: "In response to criticism—the Government of Canada commits itself not to introduce new Canada-wide shared-cost programs and conditional transfers in areas of exclusive provincial jurisdiction without the approval of at least seven provinces representing 50 per cent of the population".

What does this mean? To me it means no day care. What about our children? Seven years ago the government promised the mothers and the fathers of this country that they would have universal day care, univer-

sal child care. Now the government is using the Constitution to leave by the back door.

We need a strong and caring central government to protect the social interests of our people and all Canadians.

A few short months ago we passed the 20th anniversary of the multiculturalism policy in this country. Would a bill like that be passed without a strong federal government? Would a bill like that mean anything? How could the policy be enforced without a strong central government? Multiculturalism means equality for all.

Who would defend the environment, the Rafferty-Alameda dam, James Bay, Carmanah, aluminum in the St. Lawrence, Great Lakes poisons, ozone depletion? The federal government may not do enough, but I guarantee the provincial governments would do less to fight big business for habitat, wildlife and humanity.

Without a strong central government, what weight would Canada carry on international issues? How would Canada fare in international trade where the game is quickly changing? Words like "globalization", "free trade", "automation" and "subsidy wars" conjure up images of a marketplace that is on shifting sands, where small business is squeezed out and large businesses lay off thousands or jump the border.

Only a strong caring government backed by a constitution of conscience can face the world and represent all Canadians on these issues; not just the east, not just the west but all Canadians.

In my experience, Canada is a living, breathing thing, always changing. If the government is suggesting the provinces be allowed to perhaps set their own goals and their own agendas, for example immigration quotas, and this is written into the Constitution, how would it change as Canada changes? It is very very difficult to amend the Constitution, as we are witnessing today.

It is also very difficult to write a constitution. For example, many of our social programs are crumbling under our feet. Medicare is being attacked from all sides. The Canada Health Act without protection may be a mere mention in a history book, not a working piece of legislation, unless free medical care is guaranteed a right of citizenship. The same is true of our educational system. Family allowances, social assistance, pensions, income security, there is merit to entrenching all these values in the Constitution. These rights are our rights, but for how long?

Perhaps the people who have rights are the ones who fight for them. I do not mean through violence. I mean people voicing their concerns loudly and clearly to the government. This is how we carve a place for ourselves in the new Constitution.

• (2140)

Just last week I joined a round table discussion of Canada's top scientists, members of the Canadian Institute of Academic Medicine who were concerned about the adverse impact of national disunity on our national institutions. The scientists provide us a model of how harmony can be achieved among people of diverse cultures, languages and areas of expertise.

They have continued to spontaneously converge to harvest mutual benefits from their work. They continue to discover new vistas, useful in diagnosis and treatment of humankind's diseases. The reason, I believe, is that they work for a common good. This force drives them to overlook geographic and ethnic origins or other tongues.

We could all learn from our academics and scientists. We must learn if Canada is to remain one country.

Following our debate tonight, the joint committee for a renewed Canada should take to heart our views and those of our constituents for whom we speak before finalizing its report later this month.

In the final analysis, the constitutional package must be submitted to a national referendum. Only a constitution of the people by the people and for the people will bind us together as Canadians.

Mr. Stan Wilbee (Delta): Mr. Speaker, it is a real privilege to be able to speak on the constitutional proposals as presented by the government.

In my riding of Delta we recently had two meetings on two evenings in two areas of the electoral district to discuss these proposals and to find out just what the people of Delta had in mind and what they thought of the government's proposals.

At the time I promised that I would bring the report of the meeting to my colleague, the right hon. Minister responsible for Constitutional Affairs, and to the co-

chairs of the special joint committee on a renewed Canada.

I found that both of these meeting were very productive. I found that the people of Delta also appreciated very much the opportunity to present their views on the Canada we will be looking at in the future.

I do appreciate the fact that these meetings were both hosted by local community organizations, one by the Scott Road Business Association and the other by the Delta Chamber of Commerce, and by two very capable chairmen, Mr. Peter Podovinikoff and Mr. Sean Hogan. They did an excellent job. They brought focus to the meetings and helped to speed it along to keep the consensus and played a great part in the success of both of those evenings.

These events were designed to give the residents of my riding the opportunity to make known their views and concerns. My function was just to present the proposals with overhead projection and to listen and to see what the people felt and thought.

Out of the 150 people who attended the two meetings, approximately 35 had the opportunity to express their views. Their statements lasted anywhere from two minutes to fifteen minutes, but they all were thoughtful and sincere and obviously from the heart. I really appreciated the attitude and the atmosphere of the meetings as the people sought to seek a consensus and to understand the points of view of other people.

The general comments ran from very supportive to staunchly opposed to certain sections of the package. There was certainly no consensus. When the meetings were concluded those who attended at least left with a better understanding of the proposals and also what their neighbours and their community thought about the whole proposal.

Since it was not possible for the joint committee to meet in the Delta area, it was felt that this type of representation gave the people of Delta the opportunity to be heard. As I said, these conceptions have already been presented to the committee and to the right hon. Minister Responsible for Constitutional Affairs.

On the specific concerns that were mentioned at the meetings, we went through the various proposals. On reaffirming the rights and freedoms of citizens and on the issue of property rights the vast majority was strongly in favour of property rights. Many people commented that it was a mistake not to have included these rights when the Constitution was repatriated in 1982.

The point was made on many occasions that all of the other constitutionalized countries of the world guarantee the right to property and that it was high time that Canada caught up with the rest of the world. Others pointed to it as a fact that was necessary to restrict the power of government over the people.

With regard to the notwithstanding clause, raising the majority to 60 per cent from 50 per cent, all of the participants who spoke on this item were unanimous that if it had to exist then strengthening it was a good change.

However, several speakers called for the total removal of the distinct society clause from the Constitution. Most cited the controversial Quebec sign law as a significant irritant to the rest of Canada and therefore justification for striking the clause.

It was pointed out at the meetings, again by the participants, that it was the western provinces that insisted on being a part of the charter in the first place and therefore it must play an important role for all the provinces.

On the matter of the distinct society clause, this was probably the most widely debated of all the issues in the meetings and people were very passionate on both sides. Those who spoke against the inclusion of this clause considered that it gave to one province a more significant role than the other nine.

One individual, for example, asked if a distinct society will be a sleeper clause that will be used to justify more powers for Quebec down the road. It was recommended that a limiting clause be added to it.

Another participant argued that Quebec's distinctiveness is an issue that was dreamed up in the minds of politicians. It was said that the official recognition of distinctiveness would further compound the problems that were created by the English and the French.

The criticism of culture being included in the distinct society clause was that Canada's many cultures have continued to flourish without official protection. The oriental population of B.C. was given as an example of a group of people whose language and culture has contin-

ued to flourish without the use of constitutional protection.

However, 14 out of the 22 people who spoke on the issue were in favour of the recognition of Quebec's distinctiveness. Several cited history to prove that Quebec's distinctive language, culture and civil code have always been a fact in Canada. One observer said that we should walk a mile in a Quebecer's shoes and realize that if the situation were reversed, we would also fight for the preservation of English culture and language if we were surrounded by a population of 250 million French.

It was even said that the rest of Canada should learn from the pride that the people of Quebec have in their heritage and culture. Over all, people on this side of the issue said that they could not imagine Canada without a distinct Quebec.

On the matter of aboriginal self-government, again the opinions were divided. Some felt that it was a positive step and called for a shortening of the ten-year timeframe. Others however said that we should all just be Canadians and not further subdivide into groups. These individuals questioned the effects on the environment and on our nation's resources. Others were unclear as to how self-government would affect the Indian land claims process.

As far as the House of Commons and more free votes was concerned, it was unanimous that if not all House votes could be free, then at least there should be more of them.

Several people called for a change in the rules governing votes of non-confidence to free up the control of caucus. They emphasized that the member's primary responsibility was to represent the will of his constituents and that must come before the role of the party.

The matter of Senate reform is also a hotly debated item. Many called for the abolition of the Senate; others called for the Triple-E Senate. On the matter of election, all but one individual agreed that it must be elected. There were various views on the timing of these elections. It should be effective.

Some argued that the Senate should have the same powers of the House on all issues and not merely a suspensive veto on important issues. Others claimed that this was just a duplication of the House and would be futile.

As far as equality was concerned, most people felt that it should be fully equal, that is that P.E.I. should have the same number of senators as Ontario and that this would be no more odd than the present situation where we have gross misrepresentation in the country. There was no consensus of the numbers of senators needed.

• (2150)

As far as the economic union was concerned, the majority of speakers were in favour of the economic union proposal and social benefits to all regions of Canada. However, they did raise concern over the opting out clause and complained that it lacked clarity and was going to be a point of real contention down the road.

One gentlemen also pointed to the language of a common market as being too divisive and making Canada sound like a collection of separate states. For the Council of Federation, nearly everybody felt that it was just one more level of government and we did not require it.

I see that my time is just about gone, Mr. Speaker. I would like to table the remainder of my speech so that it can be on the record. It deals with the general themes.

I would like to conclude by saying that although there was a diversity of opinions and a diversity of thought that was represented in the meetings, there was a consensus that we wanted to hold Canada together, that we needed to have meaningful dialogue between the various factions. There was a general sense of good will and a desire to understand those with different and opposing viewpoints.

The Acting Speaker (Mr. Paproski): I will accept all those documents from the hon. member.

Miss Deborah Grey (Beaver River): Mr. Speaker, I would just like to say thank you to my hon. colleague from Delta for the remarks he has given. Surely we have been listening to many of the same people in our constituencies over the recess at Christmas time.

Before I begin to express the feelings and ideas that the constituents of Beaver River have impressed upon me, I would like to first of all thank all the members of this House for allowing this debate to take place. It is a

refreshing and welcome change to see this place used as it should be, and that is as an instrument for democratic representation.

By various means, a constituency-wide questionnaire and a series of public meetings over the recent recess, the constituents of Beaver River have voiced their opinions on every one of the 28 constitutional proposals put forward by the government. Many have suggested, however, that while they agree this round should in fact be a Canada round which attempts to satisfy all Canadians, the bulk of proposals are simply too large to deal with. The majority with whom I spoke in Beaver River feel that a constitutional agreement can never be reached with so many proposals on the table. I will therefore attempt to narrow the issues down to those that seem to be most prevalent in the minds of the constituents in Beaver River.

One of the most contentious and certainly the most salient proposal is that dealing with distinct society status for Quebec. In a special constitutional questionnaire I sent from my office to every household in Beaver River, I asked the question: "Should Quebec be recognized as a distinct society in the Constitution as defined by its French-speaking majority, unique culture and its civil law tradition?". The vast majority, 79 per cent, said no to recognition while only 21 per cent said yes.

Beaver Riverites, however, are not adverse to acknowledging that Quebec is really a distinct society. What they are adverse to is enshrining this principle in the Constitution. They worry that by doing so in the Constitution, Quebec will be granted not just a special status within Confederation, but in the final analysis, a superior status as well. Those in Beaver River agree and believe in equality. They believe in the equality of all provinces. They believe that their province is as equally distinct in terms of culture as is Quebec. Distinct society status for Quebec is therefore unacceptable to the people of Beaver River.

That is the symbolic part. The mechanical part is this. Although a distinct society has been defined since Meech Lake, it remains all-inclusive. Many commentators in the constituency have expressed concern over the aspect of culture as outlined in the new proposal. How would the word culture be interpreted in the courts? Leon Dion, a respected Laval political scientist, has expressed the opinion that in Quebec "one cannot separate culture and the economy". Thus, it seems to those people in Beaver River that this new definition would be deficient in limiting the power a distinct society clause would have when applied to the Charter of Rights and Freedoms. Only by restricting the definition rather than making it inclusive might the people of Beaver River accept such a proposal.

Proposal 4 of the government's package deals with aboriginal self-government. This item is especially pertinent to my constituency as approximately 9 per cent of those residing in Beaver River are aboriginal peoples. At present, there appears to be a polarization of attitudes on this question. In my household survey, 49 per cent agree that the aboriginal population of Canada should have the right to self-government while 51 per cent disagreed. This close result seems to be the product of the absence of a concrete definition of what self-government is. As with the definition of distinct society, Beaver Riverites are weary of the broad parameters of the rights and jurisdictions that aboriginal governments might exercise.

One would surely not want to entrench the simple words self-government, leaving it entirely to judges to fill in its practical meaning. It is therefore difficult for the average citizen to comment on the substance of self-government until some actual details of the plan emerge.

Constituents through their letters to me have also expressed a reluctance to say yes to self-government without some prior agreement on taxation and spending measures. Many in Beaver River recognize the plight of the aboriginal peoples of Canada in their struggle for self-determination. They also recognize, however, that the politics of embedding specified cultural, ethnic or racial groups in the fabric of the Constitution is a dangerous game. It may inevitably lead to a competitive, antagonistic relationship between these different groups.

In perpetually exacerbating the differences among Canadians rather than outlining the similarities, many in Beaver River feel that the spiral of ethnic based politics will surely lead further down the road to disunity.

Of all the 28 proposals set down by the government, Senate reform is by far the most important to the people of Beaver River. Time and time again my constituents have implored that this country be given an equal, effective and elected Senate. Nothing short of the Triple-E model is acceptable. Eighty per cent of those who responded to my constitutional questionnaire indicated that elected and effective are not enough. Neither is a two and a half-E Senate enough, or a so-called

equitable Senate. The constituents of Beaver River have waited a very long time, in fact decades, to have this basic democratic principle enshrined in the Constitution. They have watched as senates the world over have balanced representation of the majority with representation by region. This basic democratic right can no longer be denied. The citizens of Beaver River ask for a Triple-E Senate and nothing less.

Finally, part III of the government's document: "Preparing for a more prosperous future" received a generally warm reception in my riding. Constituents are, for example, overwhelmingly in favour of broadening section 121, the Common Market clause. Most believe that the provincial and federal governments should work more closely to create an economic union which would facilitate the elimination of trade barriers between the provinces. Still, some questioned the efficacy of such an amendment, in that it seems to clarify an existing power and then proceeds to add restrictions to that exercise. Nevertheless the principle of free trade between the provinces is in accord with the attitude of Beaver River.

Other proposals in this section, however, are not acceptable. A good number of constituents tend to disagree that the mandate of the Bank of Canada should be to achieve and preserve price stability only. The concern is that the proposal here is too narrowly defined. Future monetary authorities may wish to address themselves to interest rates, exchange rates or growth rates, not simply the rate of inflation. Writing this proposal into the Constitution would effectively handcuff policymakers in dealing with unforeseen events to come. This is the feeling of the constituents of Beaver River.

These then are some of the fundamental concerns and ideas voiced in my constituency which I heard time and time again over our five or six week recess. These are not the concerns of constitutional experts, lawyers or professional politicians. These are the concerns and ideas of ordinary Canadians, people who care about this country from sea to sea. These are the concerns and ideas that we, as members of Parliament, must listen to and act upon if Canada is to remain truly strong and free.

I would like to finish by saying that I am conducting a contest in my constituency right now for all high school students called the New Canada contest. It gives young people an opportunity to respond to what kind of new Canada they want to be part of in the 21st century. The contest closes in March. We are going to celebrate with a couple of winners of that contest having a chance to come to Ottawa and spend a couple of days here to see the hub of Canada working. I am excited and want to continue to promote the fact that young people really do care about this country.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being ten o'clock, pursuant to the order made on Wednesday, February 5, 1992, the House stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 9.58 p.m.

HOUSE OF COMMONS

Wednesday, February 12, 1992

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

"DEGRASSI TALKS"

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I rise to tell you about an event that will be taking place later today at the National Library here in Ottawa.

My colleague, the Minister for National Health and Welfare, will be joining six members of the cast of the popular television show *Degrassi High* and Ottawa area high school students. They will discuss issues of great importance to teens and young Canadians such as drugs, sex, depression and child sexual abuse.

I would like to congratulate the cast and the crew of *Degrassi High*, who are here in the House today, for producing a new series entitled *Degrassi Talks*. Filmed at different locations across Canada, the actors talk to young Canadians about these issues. They tell real life stories encouraging discussion of these very crucial subjects.

I am sure the House will join me in congratulating the cast and the crew of *Degrassi Talks* and in commending Health and Welfare Canada for sponsoring such a unique program.

* * *

BREAST IMPLANTS

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise today in support of my colleague and former Islander, the member from Nepean, in calling for an investigation into the product review process within health and research branch. It certainly appears that in the case of silicone gel breast implants, the process did not serve Canadian women as well as it should have.

The onus should be on the producer of a product to prove that the product is safe rather than on others to prove that it is harmful. If there is uncertainty, then surely we should err on the side of safety to protect the health of Canadians.

An estimated 150,000 Canadian women have these implants. The moratorium on sales is not enough. How can this government be satisfied with its actions if the implants are still in stock in doctors' offices and hospitals across the country.

This government must move to recall these products so that we can be guaranteed that they cannot be used. The lack of action on this issue is appalling.

* * *

FIRST MINISTERS' CONFERENCE

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I welcome the First Ministers' Conference on the economy. Certainly in Atlantic Canada we are feeling the recession in a very tangible way and appreciate the leadership shown by all first ministers in working co-operatively.

While I do not advocate a spending spree by governments, I urge the governments to move on projects that will be done in any case, just do them sooner. I note that the three maritime premiers spoke in support of the fixed link to Prince Edward Island. It is projects like this that will provide the encouragement and the jobs that the business community needs right now.

Another approach is to encourage a call at western diversification, IST and FDBD to expedite private sector applications and cut any red tape for really good projects. Banks should also be urged to participate in the resumption of the economy by loosening up their credit requirements for consumers.

Being a retailer for 20 years, I have never seen tighter controls on consumer financing as right now. The missing link now is confidence.

The combined influence of all the premiers and the Prime Minister will go a long way to resolve this confidence and encourage people to resume their business and buying.

* * *

PHARMACEUTICAL INDUSTRY

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the Minister for International Trade has said that Canada will proceed with legislation to restrict generic drugs regardless of the GATT negotiations.

Before we even consider this, Canadians should first recall this government's promises on Bill C-22. For example, are there 3,000 new jobs in the pharmaceutical research area that were promised by the former Minister of Consumer and Corporate Affairs, now the government House leader? No, the government no longer even talks about jobs.

Are there more jobs in the manufacturing area? No, we have lost more than 700 manufacturing jobs since 1987.

Has price control been effective? No, not when more than 20 per cent of the drugs exceed even the weak price guidelines of the Patented Medicine Prices Review Board.

Bill C-22 was a bad deal for Canadians. We should not accept further weakening of our generic drug laws simply because the United States is forcing it on us. Let us protect jobs and lower drug prices with our own Canadian generic drug industry.

* * *

WELFARE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, this week I read that a Toronto man who recently came to Canada seeking refugee status was arrested for fraud. He had been collecting welfare under three different names.

The most disturbing thing about this is it is not an isolated incident. Metro Toronto police officials told me last week five other refugee claimants were arrested in Toronto for fraud. These five people alone have collected $75,000 since 1990 in illegal welfare assistance.

The government has a responsibility to Canadians to ensure that our tax dollars do not continue financing these widespread incidents of welfare fraud and to guarantee that people who are found guilty of such fraud are deported without delay.

* * *

BRAVERY

Mr. John Manley (Ottawa South): Mr. Speaker, two days ago in Ottawa, Joanne Kulwartin demonstrated qualities of resourcefulness, quick-thinking and courage.

This 17-year old high school student acted without concern for her own safety in rescuing a 2-year old and his 82-year old grandfather from their burning townhouse which was thick with smoke.

Moments later Ottawa firefighters Bob Parent and Marc Asselin acted with similar courage in entering the house, climbing the stairs in smoke so dense that they could not see and rescuing 4-year old Sebastien Marier, who was unconscious under a bed.

Sebastien remains in critical condition and our prayers are with him and his family.

Meanwhile, on behalf of their neighbours in Ottawa South and my colleagues in the House of Commons, I would like to celebrate the bravery of Joanne Kulwartin and the two firefighters. Their courage, determination and willingness to risk their own safety is an inspiration to all.

Joanne, Bob and Marc, our hats are off to you in admiration and respect.

Some hon. members: Hear, Hear.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Garth Turner (Halton—Peel): Mr. Speaker, there has been a lot of ill-informed comment lately about the GATT talks, article XI of that agreement, and the supply management system which controls imports of dairy and poultry into Canada.

For the record, there are three central questions which need to be answered.

First, is supply management a distortion of liberalized trade? Absolutely.

Second, does supply management constitute a barrier to agricultural imports? Again, absolutely.

Third, does Canadian supply management distort total world agricultural trade? Not enough to care about.

Supply management and the higher consumer prices it brings is the cost of maintaining Canada's agricultural infrastructure. For my constituents, that cost is certainly worth it.

* * *

PAEDOPHILIA

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, two days ago I received a letter from the Liberal member of Parliament for Scarborough West, the Official Opposition critic for the Solicitor General, purportedly on the subject of paedophilia and the charter of rights.

Upon closer examination, it became clear that the letter was thinly disguised hate literature directed at lesbians and gay men. The letter repeated that most—

Mr. Speaker: This is getting awfully close to a personal attack against that member. I do not know where the hon. member is going.

Mr. Robinson: Mr. Speaker, the letter repeated that most despicable stereotype that we prey on children, that we are child molesters. It was silent on far more widespread heterosexual paedophilia.

As a gay man, I want to tell you, Mr. Speaker, that it is these distortions that lead to the appalling levels of discrimination, harassment and violence among my community, a community already devastated by the epidemic of AIDS.

• (1410)

I therefore call upon all members of this House, particularly the leader of the Liberal opposition, to join me in strongly condemning this hate literature and in reaffirming our commitment to a Constitution and to a Canada in which all people including lesbians, gay men, and bisexuals are treated with full equality, respect and dignity.

[*Translation*]

ENTREPRENEURSHIP

Mr. Gilles Bernier (Beauce): Mr. Speaker, once again, the Beauce region in Quebec takes charge of its destiny. Three major partners in the region have decided to create an institute for international trade, to be located at Chaudière—Appalaches. I am referring to the network for business expansion, the Beauce economic council and the Beauce-Appalaches CEGEP.

Being aware how difficult it is for small businesses to carve out a niche for themselves and to compete on international markets, since most businesses do not have all the necessary resources, these socioeconomic partners decided to provide the region's entrepreneurs with a full range of services focusing on international trade: reception and information, consulting, training, prospecting and international marketing.

This is another example of the imaginative and energetic approach of this region to developing entrepreneurship.

* * *

[*English*]

MAIL ORDER INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, for the past six years the American mail order industry received a free gift from the Conservative government.

This government has allowed U.S. firms to ship goods valued under $40 into Canada free of all taxes and charges. However, the Americans have been charging Canadians $8.40 U.S. for every such shipment made by Canadians into the United States. This has cost Canada over 4,000 jobs and $260 million in lost sales.

This insanity is just one more example of how this government has favoured Americans at the expense of Canadian jobs.

Today, six years later, this government has finally decided that Canadians deserve a chance. They are bringing in measures which we hope will provide reciprocity for the Canadian mail order industry.

Canada must charge the Americans the same fees that they charge Canadians for shipping into the United States. Instead of exempting U.S. shipments under $20

as they are proposing to do, Canada must give no exemption whatsoever.

Canada must at last stand up for our Canadian industries and Canadian workers.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Ross Stevenson (Durham): Mr. Speaker, farmers in Durham region support the federal government's position on GATT which was developed in concert with farm groups and the provinces.

Grain producers want reductions in export subsidies to end the economic lunacy which has been part of the western world's agriculture policy for too many years.

Producers in supply management sectors want a clarified and strengthened article XI to support a system that has worked well and has not contributed to excessive agricultural production.

On behalf of Durham producers I urge the federal government to go to the wall with its position. We know that some method of supply control must be achieved to solve the world's excessive agricultural production. I find it ironic that our system of supply management has not been seriously considered by many other nations.

* * *

AID TO RUSSIA

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, every day in the news Canadians see the plight and starvation of people in Russia and the other republics.

But private citizens are responding. Led by John Powell and Sherry McNeir, two people from Ottawa and Winnipeg respectively, close to 170 tonnes of food and 6 tonnes of medical supplies have been gathered.

Given the size of the shipment, the Russian government has committed itself to sending over some of its military planes to transport the goods. But Russia does not have the money for the fuel.

The office of the Secretary of State for External Affairs has been approached to help cover the estimated cost of $75,000 but has refused, stating that its allocation for aid for Russia has been used up. What an appalling and lamentable response to the generosity of private Canadians and the suffering of Russians.

Farmers, churches, schools, and other Canadians, many of whom face uncertain futures themselves, have reached out to the people of Russia in this extraordinary humanitarian effort.

I urge the government to find the necessary funds immediately to help transport the aid, to help these major human rights issues, and to ensure this effort reaches the needy in Russia.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, Canada's dairy, egg and poultry industries contribute over $10.2 billion a year to the Canadian economy.

The current Uruguay round of the GATT negotiations presents a do or die situation for our 97,000 dairy, egg and poultry producers and their associates.

Clearly, the stakes are extremely high. Without quantitative import restrictions, these vital agricultural industries will become integrated with their American counterparts. As a result, price stability will be replaced with uncertainty. The pillars of Canada's domestic policy for these industries will be destroyed.

But I think the members opposite will join with me in congratulating the Prime Minister and the Minister of Agriculture because they have spoken out for Canada and Canada's farmers to ensure that Canada's position be known in GATT and that it will be maintained in GATT.

I urge the farmers in this country to get behind this government. It is their friend on this issue. Together, we will win this one for Canada.

ORAL QUESTION PERIOD

[*English*]

BREAST IMPLANTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question once again is for the Minister of National Health and Welfare.

Last year 15,000 Canadian women got breast cancer and 5,000 women died of breast cancer. The issue of breast implant safety was first raised in the House of Commons in April 1990.

I would like to ask the minister on how many occasions did the manufacturers of the Meme implant violate part V of the medical devices regulations? When did he become aware of these violations, and what action did he take?

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, perhaps I should point out, first of all, that the Department of National Health and Welfare acts in the best interests of the health of Canadian women in every area that concerns the department, and especially breast implants. As I said yesterday, and as I have said many times, the department makes decisions regarding the drugs or food or medical devices it is asked to evaluate, on the basis of the information it is given and also on the basis of scientific evidence.

Mr. Speaker, the information received by the Department of National Health and Welfare on breast implants, and especially silicone implants, did not, as far as I know, contain any erroneous data that might have led the department to decide otherwise than it did.

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, yesterday the minister stood in this House and said that if he had any evidence whatsoever he would act.

I have in my hand a copy of a letter that he received last October from his own deputy minister in which he cites proof that the company on at least two occasions violated part V of the medical devices regulations. On at least two occasions, according to his deputy minister, this company failed to follow Canadian law.

I want to ask the minister this: In light of this information which was passed to him last October, why did he do nothing and why does he continue to stand in his place and do nothing?

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the hon. member for Hamilton East is in the habit of producing all kinds of documents. I do not question the letter that may have been sent, but I confess I am not familiar with the context in which it was sent. In any case, we will have to look at the letter to which the hon. member referred. I will see exactly what the reference is, and in due time I will have the appropriate response to the hon. member's question.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, for shame! This letter reveals that the company on two occasions violated the regulations for this implant product. My question for the minister still is: When will he do something about the 150,000 women who today are wondering whether the government will protect them? Why did he not act immediately after receiving the letter sent to him on October 30 last year. Why did he do nothing, and why does he continue to do nothing?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, once again, I have no comments on this document at the present time. I will comment in due time.

• (1420)

Perhaps the hon. member will recall that in the case of the Même, which is a manufacturer's trademark, the product was voluntarily withdrawn from the market last April, before I was appointed to this department.

As for other silicone implants, since January companies have been asked and in fact have agreed, on a voluntary basis, to stop providing surgeons with silicone implants. We have been informed by the *Association des chirurgiens de la province de Québec*—in fact there was a public announcement—that it will no longer use this type of breast implant.

I believe that as usual, our response was based on our knowledge of what had happened. As far as women's health is concerned, Mr. Speaker, I am aware that many

women in Canada are watching this matter very carefully. That is why I said, and I repeat, Mr. Speaker, that today, no silicone breast implants are available on the market, and until I have had information to the effect that there is no risk involved, I will no longer allow this type of breast implant on the Canadian market.

* * *

[*English*]

JOB TRAINING

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, on January 15 the employment minister chaired a meeting of his OECD counterparts and a discussion of employment and labour market policies. At that meeting the minister recognized that we needed to develop a co-operative strategy to address unemployment created by the major restructuring of the international economy. He also said that we needed to develop training and re-employment programs.

I ask the Minister of Finance, in the absence of the minister of employment: Considering that training programs are indispensable to Canada's global competitiveness, is he still committed to the goals the minister outlined in January?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I must repeat that we have put in place several strategies in various departments and programs.

We are maintaining our programs and we offer programs that give workers seeking employment an opportunity to learn more, acquire new skills and become better able to compete in a world of globalized markets.

We are respecting the measures that were announced and we are on schedule.

[*English*]

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, an internal memo in my possession from Employment and Immigration Canada reveals that the government is in the process of dismantling existing training programs in metro Toronto. The memo calls for budget cuts of 20 to 50 per cent, which will effectively kill many of the programs.

The programs in question help those most in need. They have a 100 per cent subscription rate. They have huge waiting lists. Eighty-five per cent of the graduates find work.

In an age when training is so vital to our nation, why would this government even consider or give any thought to having cuts in this most devastating economic recession? We need to train this nation. Can the minister guarantee us that these programs, and more important these people, will be protected?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I really find my learned colleague opposite to be exaggerating.

We are continuing to dialogue with the provinces and trying to see how we can work with the provinces in Canada to be able to attain our common objective of ensuring a higher standard of living and respecting workers who are in search of employment.

I do not want to hear it said that we are not following our budget, because over the year, further to our decision in the wake of Bill C-21, which unfortunately was passed too late, we invested large amounts. We are working together with the provinces—Ontario, Quebec and the rest—to make it easier for every person who is out of work to get back into society and the economy.

* * *

[*English*]

GOODS AND SERVICES TAX

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister.

This government was warned of the devastating effects the GST could have on the economy. Since the GST has come in we have seen those devastating effects: thousands of bankruptcies, some 52,000 retail jobs lost, and a loss of $1 billion to the Canadian economy.

I want to say to the Minister of Finance that it must be devastating to Canadians, to retailers and to consumers to hear that the government's answer to cross-border shopping is to have Canadians pay more tax. The

question is how do we make goods acceptable here, not how do Canadians pay more tax.

Given the effects the GST has had, will the government finally look at a solution that will work and withdraw the GST?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the information I am about to impart to the hon. member may be devastating to her. I have in my hand a pre-budget submission by the Canadian Manufacturers' Association which says in part that lower interest rates had helped reduce corporate financing charges in 1991 by $500 million and, second, I quote: "The implementation of the GST has also been of significant benefit to the manufacturing sector. The tax savings that manufacturers realized by the elimination of the federal sales tax on investment goods may have been as high as $3.5 billion in 1991".

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, this is great news, I suppose, but can the minister tell us why there are increasing bankruptcies and why we are losing billions of dollars to cross-border shopping if it so much improved the manufacturing sector in this country?

[*Translation*]

I have a supplementary question for the Deputy Prime Minister. Clearly the GST is contributing to cross-border shopping. More taxes are not an answer. I would again like to ask the minister whether he is prepared to consider removing the GST in order to increase shopping here in Canada and not outside Canada.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member takes great joy in blaming all the ills of the economy on the GST. I will quote further from the document because that might be very revealing to her as well. It goes on to say: "Manufacturers passed these tax savings and considerably more along to the consumers in the form of lower prices".

Some hon. members: Oh, oh.

Mr. Mazankowski: There it is, Mr. Speaker.

An hon. member: They don't like good news.

Mr. Mazankowski: "While the elimination of the federal sales tax alone would have allowed manufacturers to reduce selling prices by 1.2 per cent in 1991, industry selling prices in Canada actually declined by 2.8 per cent over the course of the year". The GST has had the effect of reducing prices and lowering the cost to the consumer, not increasing them as the hon. member alleges.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question.

The GST has added to unemployment. There is over 10 per cent unemployment; 1.5 million Canadians are unemployed. They cannot afford to make the purchases this minister is talking about, but people are going across the border. That is the problem for Canada.

Yesterday in this House the Minister of Employment and Immigration said that there are skilled jobs for people to take. I want to ask the Deputy Prime Minister: Is it a fact that this government is prepared to cut training funds for skills training, the very skills that his minister said were needed?

In fact the memos we heard about earlier today, and I have copies here, indicate a 20 to 50 per cent cut in training. Is it correct that the government is prepared to do this and cut workers off at the knees by cutting back training?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member does not have to take my word for the fact that the GST has helped the manufacturing sector. She can phone the Canadian Manufacturers' Association herself and find out what the conditions might have been had it not been for the implementation of the GST, had it not been for the withdrawal of the silent killer of jobs, the federal sales tax.

In so far as training funds are concerned, I only repeat to the hon. member that $3.1 billion has been allocated this year and $3.4 billion is allocated next year.

* * *

JOB TRAINING

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Minister of Finance.

What is at issue is the credibility of this minister and of his government. We have been told time and time again that this government is committed to training and retraining. If that is the case, can he explain why the directors general sent a memo on December 20, 1991 asking areas managers right across the country to prepare contingency plans for three scenarios: (1) a 20 per cent reduction, (2) a 35 per cent reduction and (3) a 50 per cent reduction in community based training funds?

• (1430)

Can the Minister of Finance explain this discrepancy? Why is the minister saying one thing in the House of Commons when his area managers are being told another thing down at street level?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I have a list of investments that we made in training our workers: programs like job development, which got $257 million in 1991; community development, $150 million; job entry, $412 million. Mr Speaker, we gave out some $19 billion in income support last year. What we are trying to do is to build an economy in which our workers can find employment and we do not intend to cut our programs.

[*English*]

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Minister of Finance is a phoney. He stands in this House and he says that his government is committed to training.

I would like the Minister of Finance to have the courage to stand and explain to the thousands of people who rely on these training programs why this government has decided to cut $100 million from community based training and why the area manager in the Toronto region says in a memo dated January 10, 1992: "We will be forced to terminate projects due to budgetary reductions".

Can the Minister of Finance explain to these people who are desperate for jobs and who want to be trained in order to fill those 300,000 vacancies that the Minister of Finance spoke about yesterday why this minister is cutting them down? Can he explain why he is cutting $100 million from community based training?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, last year we invested $3 billion in worker training and in the coming year we definitely intend to continue working with the private sector, the provinces and especially the workers, who must do their part to find work and register for our training courses.

* * *

[*English*]

CANADA–UNITED STATES FREE TRADE AGREEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister for International Trade.

We have just learned that a preliminary U.S. customs report has ruled that Canadian built Honda Civics do not meet the North American content requirements set out in the Canada–U.S. Free Trade Agreement and will be subject to a 2.5 per cent tariff.

I ask the minister: Doesn't this show that the free trade agreement is not providing the secure access to the American market for Canada which was its original justification by his government? Isn't this an example of rising U.S. protectionism and a blatant attempt to discourage future automotive investment in Canada?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I have spoken to my counterpart in the United States as has the ambassador. We have both made very, very clear our dissatisfaction at the way this audit has been conducted and the results of the audit. Once we see what the specific elements of the audit are, if it is appropriate we will take action under the terms of the free trade agreement.

Let me also say that we do have protections under the free trade agreement which we would not have had through the dispute settlement mechanism provisions, as well as the elements of the U.S.–Canada Trade Commission where we can discuss these things, get them resolved, and not leave them outstanding as was the case prior to the free trade agreement coming into place.

Hon. Herb Gray (Windsor West): Mr. Speaker, why won't the minister admit, in the face of this latest example of harassment by the U.S. authorities of Canadian manufactured exports to the United States, that the free trade agreement, in spite of what he says, when it comes to Canadian interests is simply not working; it is a flop?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, during the time the free trade agreement has been in place, we have seen the trade surplus of Canada with the United States increase from $14.2 billion to $17.5 billion. We have seen our exports increase by $8 billion, about 7.5 per cent. We saw an all-time record high of exports in August of last year. Surely that is an indication the free trade agreement is not hurting but helping Canadian exporters.

I remind the hon. member that before the free trade agreement was in place, we did not have recourse to judicial practices where we could go to the chapter 19 dispute settlement mechanism. Now if we have disputes, we have a legal basis on which we can protest them.

* * *

BREAST IMPLANTS

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, yesterday the minister of health said that he was still waiting for evidence that silicone breast implants were unsafe.

I wonder if he is aware of what is going on within his own department. Staff within the Health Protection Branch have been instructed to cut and paste company supplied data on this issue and that is how decisions are being made. Those who have objected to this process have either been silenced or sacked.

Will the minister now take this issue seriously, order an independent inquiry where all of the evidence can be presented, looked at and a reasonable decision made on behalf of Canadian women and the health of Canadian women?

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, in my previous answers, I referred to processes established in the department of health to deal with medical devices. I must mention, as I told the same hon. member yesterday, that we also set up a register to which women who have had a breast implant can refer to give information concerning their reaction or their level of satisfaction with the implant.

Second, within the department, I asked the deputy minister to implement a process for a thorough review not only of breast implants but of all medical devices that are used. Mr. Speaker, I think that these measures will keep us up to date and ensure that the policies of the department of health take account of women's health, especially in this case—the health of women who for their own reasons decided to proceed with the operation.

Accordingly, I met with Marcella Tardif yesterday. I talked with her at length about this subject and I think that we are doing what can be done. I repeat what I said earlier: If I have any doubt whatever about the advisability of allowing silicone breast implants back on the market, no one, including the hon. member, will again see these breast implants on the market in Canada.

[*English*]

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, that is a long answer but it is not an independent inquiry. It does not address the issue of taking company supplied data from Dow-Corning, cutting and pasting it and using it as departmental evidence.

If the minister will not agree to an independent inquiry, will he at least refer this issue to the status of women subcommittee of the House of Commons and ensure that all of his departmental staff who are asked to appear do appear on this critical issue?

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I have no objection to considering the request to refer the case to the committee on the status of women. In general, officials of the department of health who are called to testify before committees do so. Now, again, I prefer to consider the request and see, because the committees have mecha-

nisms and procedures. If that meets this request and it is what they want, Mr. Speaker, of course we will co-operate with the committee, as we have always done in the past.

* * *

[*English*]

EMPLOYMENT

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, yesterday I asked the minister of employment what he was going to do to save thousands of jobs in the pulp and paper industry. His answer to me and to this House was that they could use the unemployment benefits that were available to them.

We have a better idea. What we want to do on this side of the House is save all of those jobs in the pulp and paper industry.

My question is for the Deputy Prime Minister. Will he instruct all of his ministers, all of the Crown corporations in Canada to use only fine paper products produced in Canada. This will immediately create full employment, full production in the paper mills that produce fine paper products in this country. Would the Deputy Prime Minister issue that directive today please?

• (1440)

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I must admit that as a government, we are very concerned about the employment situation that now exists in the pulp and paper industry.

We are therefore studying mechanisms which could meet all the needs that are specific and different from one company to another and of course we are making available to laid-off workers all our job strategy programs. We are trying in the short term to be able to meet the financial, cultural and economic needs of every worker.

[*English*]

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have a supplementary question.

Thank you, Madam Minister for that answer. However, the job strategy is not what we had in mind. What we are trying to do is keep the jobs that the people are presently working in today.

If we could receive this direction from the Deputy Prime Minister, the Island Mill in New Westminster, British Columbia and Provincial Papers in Thunder Bay could return immediately to full production, but more importantly, to full employment.

We already know that the Americans give their U.S. mills a 7 per cent benefit in price when they supply paper. We do not and I think this bends the free trade agreement.

We know that the fine paper products made in this country beat other products in quality. They are very competitive in price. We also know that there are simple solutions at times to the employment problem.

I ask the Deputy Prime Minister today: Make the directive to all ministers and all Crown agencies to use the fine paper products in this country.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I thank the hon. member for his suggestion.

I simply advise him that I will take his question as a representation.

* * *

CROSS-BORDER SHOPPING

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my question is for the Minister of National Revenue.

The minister knows that cross-border shopping cost Canada over $2.3 billion in 1991. He is also well aware that one of the major incentives for Canadians to cross the border is the attraction of cheaper gasoline in the U.S.

Later today the minister will be announcing measures he is prepared to take to stem the flow of cross-border shopping. Will he include a reduction of federal excise tax on gas in these measures so that this inducement for Canadians to cross into the U.S. will be eliminated?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, it would be unfair of me to make part of the announcement at this time.

I can only tell the hon. member that the elements of the announcement that will be made at 3.30 p.m. in Room 130-S, which is a change of venue, are going to be based on consultations with the provinces and with the private sector. There will be consultation with the border communities and the consumers' association.

Let me point out to the House that the hon. leader of the New Democratic Party and others have said that there will be increased taxes. There will be no increased federal taxes in this announcement.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my supplementary question is for the Minister of Finance.

Given the impact higher gasoline prices have on forcing Canadians across the border, will the minister assure Canadians that at the very least the upcoming budget will not include any increase in the federal tax on gasoline? Why will the minister not commit himself today?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as the hon. member knows, there is more than the gasoline tax that has had an impact on cross-border shopping, it is a multifaceted issue.

If the hon. member would like me to make representations to the provincial governments which also have high gasoline taxes, I will do that as well.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is for the Minister of Agriculture.

While Canada was ostensibly looking for a strengthened article XI(2)(c)(i) of the GATT, we want—

Mr. Speaker: Please. The difficulty the Chair is in is that we have an opposition motion today which refers to the whole of the GATT issue, of which we have been hearing in the House. The hon. member seems to be anticipating an order of the day, but the Chair is having difficulty with the question. He may want to rephrase his question, but it is clearly out of order at the moment.

Mr. Althouse: What efforts did the minister make in pursuing the government's so-called balanced approach to the strengthened and clarified article XI? The world has not noticed these efforts. What were they? What will he be doing to have it put in the Dunkel report?

Mr. Speaker: I think I have to stay with my original view on it. I have to advise the hon. member for Mackenzie that his question is out of order. He may want to reconsider his position and come back, but at the moment I think I must move on to the next member.

* * *

TRADE

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Minister for International Trade. The state of Maine has an emergency bill before its Senate which is designed to stop a Canadian success story, Irving Oil Limited, in its efforts to expand its operations into the American market. This is one more example of Canada not gaining market access under the poorly negotiated Tory free trade deal. This is not a free trade deal, it is a one-way deal. What does the minister intend to do to remedy this situation?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, if the hon. member had given me notice of the question, which is a fairly specific question, I would have been very happy to give him a response. If he could give me more information, I will get back to him.

Mr. George S. Rideout (Moncton): Mr. Speaker, there is a piece of legislation in the Senate, which I am advised the minister's office is aware of, which is designed purely to stop Irving Oil from expanding into the Maine market and into the United States market. This is not an independent or an isolated event. They have tried to control the lobster industry. We all know about shakes and shingles and now there is this emergency legislation. Why does the minister not admit to Canadians that they failed to negotiate market access in their free trade deal?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): I think I heard my hon. friend say something about the legislation in the U.S. Senate. Surely my friend is aware that there are any number of bills that will be presented by U.S. senators or by U.S. congressmen as a basis for making a point. It is similar to them asking a question in

Question Period. They want to get their point of view on the record. Putting a bill in is one way of doing that, not unlike a private member's bill. I think my hon. friend is aware that if there is an attempt by U.S. legislation to inhibit the capacity or the ability of companies to enter the U.S. market that is contrary to the free trade agreement, we will fight it very, very hard.

* * *

CHILDREN'S RIGHTS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. Yesterday, during discussions that the Leader of the Opposition had with the Secretary-General and other senior officials of the United Nations, several matters of concern to Canada came up, one of them specifically dealing with children. Close to 50 countries, many of them very poor countries, have already completed and finalized their national plans of action and are in fact implementing them. Canada is not one of them.

I want to ask the minister why has Canada, which co-chaired the summit on children, been so neglectful in living up to its commitments of that summit? When will this government start leading instead of following in dealing with the plight of children in Canada and the world?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, before Christmas we said we would sign the convention for children and we did, as was said by the Prime Minister. I said at the time that a plan would be presented some time in March, after consultation with the provinces. We in Canada once in a while have to consult the provinces. We do and we did. I believe that I can live up to what I said in terms of March. The plan of action for children should be presented to the House in the middle of March.

Mr. Axworthy (Winnipeg South Centre): I hope the minister is faster on this than he was on the question of breast implants on which we are still waiting for a proper decision.

[*Translation*]

HAITI

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a supplementary question on another humanitarian problem. There is a tragedy in Haiti. Thousands of refugees are being forcibly repatriated to misery and oppression. Canada, as a member of the OAS, has a special obligation to these refugees.

What concrete action will the government take to help these people? What representations is it making to the American government to come up with a more humane solution?

• (1450)

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the best solution for the refugees is to continue to work on improving policies within Haiti. Canada has played an important and significant role with other OAS members and the eight nations that visited Haiti to look into the situation. I often discuss it with the other ministers of foreign affairs and with people in Washington.

* * *

[*English*]

MOTOR VEHICLE SAFETY STANDARDS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Transport.

In the *Canada Gazette* of December 21 regarding amendments to the Motor Vehicle Safety Act there was a paragraph that reads:

> The amendments do not require vehicles manufactured to United States and California emission standards to comply with Canadian emission levels. There are other areas of double standards in the Motor Vehicle Safety Act regarding notice of defect regulations and also the metric calibration regulations.

As the free trade agreement is phased in, these really hurt the Canadian industry. Will the minister move to either lower the Canadian standards to the U.S. standards or require that American vehicles meet our standards?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member will certainly recognize that the numerous issues that he has raised in his question cannot be answered on the floor of the House. I know that one of his main concerns is related to odometers. One of the suggestions he has put forward would require the open-

ing up of the odometers, which I think he will recognize is of grave concern to us. Our basic principle is to be concerned with the safety of the cars, but at the same time not allow illegal tampering with the odometers.

We are examining the suggestion that he has put forward on the odometers, and all the others. I thank him for his very explicit letter. I hope to be able to give him a very detailed answer very shortly.

* * *

HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Finance or the acting minister.

At the First Ministers' Conference this week there was broad support from a number of premiers on the proposal for first-time home buyers to use their RRSPs for down payments. We all know that the RRSP proposal will not cost the taxpayers anything. It will provide a stimulus for the housing industry which is still steadily declining and which has left thousands of workers unemployed. In fact, housing starts were down again to their lowest levels in nine months.

I want to ask the minister why this government is not acting on this proposal now. What is it waiting for? Consumers want this proposal today.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, as you know, this government reduced the requirement of a down payment from 10 per cent to 5 per cent under CMHC insured mortgages. The housebuilders' association has informed us that this has created a great deal of activity since being announced. The housing starts in January were down. They are traditionally down in January in Canada. It is not the greatest time to start house building. CMHC is sticking to its projections that there will be 180,000 starts in this year, which is a significant increase over last year.

As far as the RRSP suggestion that has been made by certain provinces, not all, that is being considered at the present time.

Mr. Joe Fontana (London East): Mr. Speaker, the minister will know that 8 out of 10 premiers in fact pushed for the RRSP proposal. He also knows that the private sector, as well as all the provincial governments, even an all-party committee of this House, has endorsed the concept of the RRSP proposal for first-time home buyers, including this government's own members.

When will this minister and this government stop playing politics with this issue? Homebuilders want to work and consumers want to buy homes. Why will this government not act today and announce this program?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the homebuilders have been most laudatory of the government's actions so far in housing and have let us know that. It also informed us that the increase in activity has been significant.

An hon. member: You are playing politics with the RRSP thing.

Mr. McDermid: We are not playing politics with the RRSP thing. We are looking at it very, very carefully. When you are looking at this, you are talking about retirement benefits and you are talking about housing benefits and changing the philosophy on that. It is something that is very serious and has to be looked at in great detail before a decision can be made.

* * *

TRADE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to direct this question to the minister of trade.

I would like to deal with the question of the barriers which have now been put in place against exports from Canada of Honda automobiles. This is going to be something which will have very serious effects on all future Japanese investment in the auto industry in this country.

I want to ask the minister of trade if his latest step against the spirit and the letter of the free trade agreement by the United States is not in fact a sign that Simon Reisman was absolutely correct in saying that the United States was behaving like a thug in the way it was treating us in terms of our trade relations.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I made it very, very clear in response to a previous question that the government takes very seriously the implications of what has happened in this Honda audit. We are going to study it very carefully. We will be reviewing it closely with our Revenue Canada people as well as the U.S. customs people and other members of the administration. If there is a need for any

further action on this through any dispute settlement provisions or any other way that we can support the Honda company here, we will do so.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact there is action that can be taken here in Canada. The CAW has just suggested that Japanese cars should be subject here to the same kind of value added conditions which exist for North American cars produced in this country.

I want to ask the minister of trade if he would put into effect in this country Canadian content regulations on Japanese vehicles similar to those that affect Ford, Chrysler and General Motors and thereby solve the problem through Canadian action. Certainly that is a solution which would give us extra jobs in this country.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, one wrong does not make another wrong any better.

The hon. member is suggesting that he wants to see a closed market. Canada today has something like 17 per cent of the North American assembly production and he is saying "tighten the market". One of the results of that might be that we have less assembly production within Canada.

* * *

PAY EQUITY

Ms. Mary Clancy (Halifax): Mr. Speaker, yesterday after the Pay Equity Eleven met with the Minister Responsible for the Status of Women, the CBC reported that the minister is rarely, if ever, consulted on the matter of pay equity by her colleagues.

My question is for the President of the Treasury Board. Why does this minister not consult with the Minister Responsible for the Status of Women on a matter of such great importance to the women of Canada and the women of the Public Service?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to reaffirm here before I discuss a particular aspect that Treasury Board is still absolutely committed to equal pay for work of equal value. We are presently in front of the Human Rights Commission because when we decided to invest $370 million to correct pay equity which had not been corrected by the Liberals, we asked our employees to provide us with information that we committed ourselves to keep secret. We have now been asked to make this information public and we are contesting that. We have been advised that we should not proceed with this. We are not dragging our heels, we are proceeding as diligently as possible.

• (1500)

Ms. Mary Clancy (Halifax): Mr. Speaker, the minister is not dragging his heels by finally pulling them out of the mud. The women in the Public Service might have a different idea.

My supplementary question is for the minister responsible for the status of women. It is the responsibility of this minister and her office to keep on top of an issue that is absolutely crucial to the equality of women and men in Canada. Why has the minister closed her eyes to the abominable situation of a government that will not follow its own pay equity laws?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I would like to assure my hon. colleague, as the President of the Treasury Board has said, that this government has indeed made great strides forward with respect to pay equity: the $317 million settlement, $81 million each year. There is a legitimate difference of opinion about some of the technical aspects of pay equity and that is now before the human rights tribunal, the appropriate place for that resolution to be dealt with, as the members of the PSAC women's committee indicated their support.

I have indicated the ongoing discussions I will have with my colleagues and with the women workers of the Public Service to ensure that those procedures move ahead as expeditiously and as fairly as possible.

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table two notices of Ways and Means motions respecting amendments to the Excise Tax Act, the Excise Act, the Customs Act and amendments to the Customs Tariff. I ask that an Order of the Day be designated for consideration of the motions.

* * *

POINTS OF ORDER

ANSWER DURING QUESTION PERIOD

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): On a point of order, Mr. Speaker, I want to indicate to the House that I consult, on a very regular basis, my colleague, the minister responsible for the status of women.

OPPOSITION DAY MOTION

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I rise on a point of order. Before Orders of the Day are called, I wish to indicate that the government will not consider the vote that will be held later this day as a question of confidence in the government.

The government has reviewed the motion which has been placed on notice by the New Democratic Party as the subject for today's Opposition Day debate and feel that members must be able to debate this most important issue on the basis of its merits without being constrained by the question of it being a confidence motion.

Mr. Dingwall: Mr. Speaker, on behalf of members on this side, I want to congratulate the government House leader for this spirit of reform with regard to this particular measure. We look forward to the healthy debate which will follow Routine Proceedings today.

Mr. Riis: Mr. Speaker, I too want to say that we appreciate the decision by the government House leader. Obviously he listened to some very compelling arguments concerning the need to have a free vote on this critical issue.

I think that if the vote is to go in the affirmative it will certainly send a very clear signal as to how the representatives of the people of Canada feel on this critical issue.

Mr. Speaker: I should advise hon. members I have a point of order from the hon. member for Timmins—Chapleau and then I have a short ruling to make.

ANSWER DURING QUESTION PERIOD

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I rise on a point of order, and please direct me if I am rising under the wrong order.

Today in response to a question, the Minister of State for Employment and Immigration said, regarding the reductions being made to training programs, that the government had spent millions of dollars in 1991 and continues to spend millions of dollars for training again in 1992.

I wish to offer an opportunity to the Minister of State to rise and correct that statement. As we all know, under Bill C-21 the government has withdrawn all funding to training—

Mr. Speaker: The hon. member very kindly asked me if I might give him some guidance. The hon. member is not content with an answer that was given. There may be good reason for that, or otherwise. However, the hon. member really is getting into debate.

It is a question of disagreement about what the facts are. That sounds like debate. If the hon. member can persuade me that it is not debate, I might out of great generosity change my mind.

I will hear him further.

Mr. Samson: Thank you, Mr. Speaker. If it is debate I apologize. Very simply put, the government does not pay into the UI fund. The UI fund pays for all training that takes place today. How can the minister say that the government is paying for this training? It is not true.

Some hon. members: Hear, hear.

Mr. Speaker: The hon. member certainly has some support in the Chamber for his proposition, and there is some editorial comment as well.

I must say to the hon. member that I cannot hear him further at the moment. Perhaps he can find some other way to engage the minister or ministers on the same issue.

* * *

PRIVILEGE

CRITERIA FOR ADMISSIBILITY OF QUESTION DURING ORAL QUESTION PERIOD—SPEAKER'S RULING

Mr. Speaker: I promised yesterday that I would return with respect to a question which was put—

[*Translation*]

—by the hon. member for Ottawa—Vanier yesterday, a question on a subject that is of course very important to all members of this House.

[*English*]

I think hon. members will remember that yesterday I said there were really two issues. One is whether the question as put was in or out of order. The second is whether the subject matter of the question can be pursued in the Chamber.

I think I was correct in clearly pointing out to the House that there were two issues.

The issue I have to decide is whether the question as put was within the rules. I should say to hon. members that the substance of the issue concerned comments made by a Canadian who was appointed to a board by the Government of Canada relating to the question of bilingualism.

I have looked very carefully at the question as put which was:

> Will the Prime Minister call Mr. Crispo, tell him that the impression he left with his comments is wrong, dead wrong, absolutely wrong? Will he ask Mr. Crispo to get his facts straight or keep his mouth shut?

Mr. Dingwall: Good advice.

Mr. Speaker: I must respond to this issue in a purely procedural manner. My judgment yesterday was that it is out of order as asked; it is not seeking information.

I still maintain that as asked it is not within the administrative competence of the government.

Having said that, as I think all hon. members conceded yesterday, the issue is of importance. The hon. government House leader said:

> I can say on behalf of the government with assurance that Mr. Crispo does not speak for the Government of Canada.

Now at that point we had some discussion as to the question and perhaps we were also getting on to some discussion of the issue itself. I have to say that I remain with my ruling of yesterday. I am also indicating to hon. members that there are probably other ways to pursue the issue in Question Period.

ROUTINE PROCEEDINGS

• (1510)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

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

* * *

HOUSE MANAGEMENT

22ND REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 22nd report of the Standing Committee on House Management, pursuant to Standing Order 108.

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

* * *

DIVORCE ACT

MEASURE TO AMEND

Mr. Stan Wilbee (Delta) moved for leave to introduce Bill C-332, an act to amend the Divorce Act (granting of access to, or custody of, a child to a grandparent).

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Wilbee: Mr. Speaker, the purpose of this bill is to make sure that grandparents, who are very often a stabilizing influence in family life, have equal access to the spouses in a divorce situation. Rather than having to

go to court with a lot of cost, this bill would allow them access similar to spouses in the action.

The Acting Speaker (Mr. DeBlois): Mr. Wilbee moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

PETITIONS

JUSTICE

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I have today, pursuant to Standing Order 36, the signatures of 39 residents of Canada in support of the parents of Nina de Villiers. I draw this to the attention of the House.

These petitioners request that Parliament recognizes that crimes of violence against the person are serious and abhorrent to society and amends the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

These petitioners request that Parliament recognizes that crimes of violence against the person are serious and abhorrent to society and amends the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

EAST TIMOR

Mrs. Beryl Gaffney (Nepean): I have a second petition, Mr. Speaker, to present pursuant to Standing Order 36.

The undersigned 40 petitioners humbly pray and call upon Parliament to condemn the Indonesian military occupation of East Timor and the genocide of the East Timorese people, to support publicly the right of the East Timorese to determine their own destiny by referendums and free elections, and to support these causes in the United Nations and all other international arenas.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is a pleasure to introduce a petition, pursuant to Standing Order 36, on behalf of a number of constituents from British Columbia.

They are concerned about the inadequate funding of the Royal Canadian Mounted Police and are asking the federal government to ensure that proper funding is possible to enable the RCMP to fulfil its mandate and its role as the only visible police force for many communities across British Columbia and other parts of Canada.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): On another matter, Mr. Speaker, I have a petition, again from residents of the North Thompson Valley primarily in British Columbia, pointing out the petitioners' concerns regarding a plan to dam the North Thompson Valley in an effort to divert the North Thompson River into the San Diego, California area.

The petitioners are asking that this government simply announce that Canadian rivers will not be sold to the United States.

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour to present a petition signed by several hundred Canadians, residents of Ontario, Prince Edward Island and British Columbia.

The petitioners point out that in October 1985 the subcommittee on equality rights of the justice committee submitted a report to this House recommending that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas of federal jurisdiction. They point out that in March 1986 the federal government accepted this report and its recommendations. They point out that the Canadian Human Rights Commission has consistently called for this amendment to the Human Rights Act and that Quebec, Ontario, Manitoba and Yukon have such protection included in their human rights acts.

Therefore they urge the government and the Parliament of Canada to act and immediately bring forth an amendment to add sexual orientation to the Canadian Human Rights Acts as a prohibited ground of discrimination.

CROATIA

Mr. Ken James (Sarnia—Lambton) Mr. Speaker, it gives me great pleasure to rise today, pursuant to Standing Order 36, to present a petition which has been certified correct in terms of form and content.

The hundreds of signatories in my riding of Sarnia—Lambton had called upon the federal government to recognize Croatia officially. I know that these petitioners and all Canadians were pleased and applauded the January 15, 1992 announcement by the federal government giving official recognition to Croatia as an independent and sovereign state.

MINING

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have the honour and duty to present a petition from my constituents in the Dawson City, Yukon area.

These constituents, who are representatives of the Han Nation and Dawson Indian Band, are concerned about a particular piece of land where there is placer mining activity. They are particularly concerned that the Government of Canada look into this and make sure that all of the agreements heretofore made in the interest of aboriginal people are respected. That piece of land at the Klondike and Yukon Rivers called Tr'o-ju-wech'in is an extremely important piece of land.

Therefore my constituents ask the Minister of Indian Affairs and Northern Development to take all steps necessary to protect their rights and honour constitutionally binding obligations made by this House and Senate in 1867. They ask the Minister of Indian Affairs and Northern Development to prevent any further mining activity within the old village site of Tr'o-ju-wech'in.

HARBOURS

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition on behalf of a number of constituents from Cardigan, Prince Edward Island.

They humbly pray and call upon Parliament to urge the government to ensure that the necessary maintenance and repairs are made to small craft harbour facilities in Prince Edward Island.

DIVORCE ACT

Mr. Stan Wilbee (Delta): Mr. Speaker, it is an honour to rise, pursuant to Standing Order 36, to present a petition with 40 signatures that has been certified correct.

At the present there are no provisions in the Divorce Act of Canada or in any other federal legislation to provide a right for grandparents to have access to their grandchildren when parents may place obstacles in the way of such access.

The petitioners are requesting that the Divorce Act of Canada of 1985 be amended so that in no case may the father or mother, without serious cause, place obstacles to personal relations between the child and his grandparents. Failing agreement between the parties, the modalities of the relations are to be settled by the court.

[*Translation*]

HUMAN RIGHTS

Mr. Phillip Edmonston (Chambly): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition signed by hundreds of residents of Quebec, British Columbia and other parts of Canada. Your petitioners call upon the House to pass legislation that would include the term "sexual orientation" in the Canadian Human Rights Act. Quebec, Ontario, Manitoba and Yukon have already passed similar legislation. It is now time for the Parliament of Canada to do the same.

[*English*]

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I too have the distinct pleasure and honour to rise, pursuant to Standing Order 36, to present a petition signed by hundreds of Canadians, a whole whack of whom are from Alberta and I believe a few from Scarborough West.

They call on this House to ensure that government and Parliament act immediately to bring forward an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination. This is a wise and worth-while petition.

• (1520)

UNITEL

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure to rise today, pursuant to Standing Order 36, to present two petitions.

First, the petitioners from various places such as Okanagan Falls, Penticton, Naramata, Oliver and Osoyoos in the riding of Okanagan—Similkameen—Merritt point out that the CRTC hearings on the Unitel bid to take over or to become involved in a telecommunications area in the province of British Columbia and elsewhere should be integrated with development of over-all Canadian telecommunications policy.

The petitioners urge the Minister of Communications to oppose Unitel's bid to compete with the long distance services of Canada's telephone companies. They also urge him to consult with all affected parties who will be impacted severely by the deregulation of the service and further urge him to hold local hearings in our communities before deciding the fate of Canada's telecommunications system.

HUMAN RIGHTS

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I also have a petition from people from all over British Columbia, various other points in Alberta and throughout Canada.

They petition Parliament to ensure that the government and Parliament act immediately to bring forward amendments to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination.

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 49 will be answered today.

[*Text*]

Question No. 49—**Mr. Skelly (North Island—Powell River):**

With respect to Canada Post Corporation, a) are over 30 employees discharged each month b) are there over 100,000 employee grievances outstanding c) does it take an employee more than a year to have an arbitration case heard d) do over 80 per cent of the employees discharged have their jobs returned through the arbitration procedure e) do employees rehired after arbitration receive full pay for their time off f) does Canada Post delay the repayment of lost salaries of reinstated employees, and, if so, for what reasons?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): In so far as Canada Post Corporation is concerned:

a) In the 1990–91 fiscal year, 317 employees were discharged or released from the corporation. This averages out the approximately 26 per month. Approximately 20 per cent of these employees were "released from incapacity". In these cases the employee continues to work in his/her regular position until the matter is either settled between the parties or decided by an arbitrator. In these circumstances, the employee suffers absolutely no loss in pay. Approximately 55 of the 317 employees were discharged for their failure to meet the requirements during their probationary period. Approximately 75 per cent were for disciplinary matters such as insubordination or theft.

b) There are approximately 135,000 employee grievances in the system at this time. To reduce the number and to expedite the resolution of these grievances, a separate fast-track process was agreed to by the parties in March of 1990 (the Backlog Arbitration Resolution). It should be noted that this number is not a clear representation of the employee–employer relationship at Canada Post since a single incident often generates hundreds of individual grievances for example, if a supervisor is alleged to have performed bargaining unit work, the entire shift will be encouraged to grieve the matter.

c) In many cases, yes. Every discharge/release is grieved by either the employee or the union on behalf of the employee. Due to the number of grievances in the system, the corporation and the CUPW agreed to give discharge cases priority (agreement reached March 4, 1988 and included in Appendix "C" of the current collective agreement). Even so, many of these employees are forced to wait months for their cases to be heard. The discharge/release arbitration cases must be scheduled in the order in which they were referred to arbitration and are assigned to arbitrators (who are outlined in the collective agreement) in rotation of their availability dates. These arbitrators, who are assigned specific regions of the country, provide an average of approximately four hearing dates per month. The process is further complicated by the fact that many cases require more than one hearing date for completion.

d) No. A review of the corporations' statistics concerning arbitral awards indicated that only 7 per cent of discharge grievances were completely sustained by the arbitrator (i.e.: reinstated with full compensation and seniority and without penalty). In 57 per cent of the grievances, the employee was reinstated with terms and conditions of employment, time served or some combination of both. In many of the cases, the reinstatement (i.e.: the employee had several years of seniority or suffered from an alcohol/drug problem) or that although some form of discipline was warranted, discharge was too harsh a penalty. Finally, 36 per cent of these discharged/released grievances were either denied by the arbitrator

or withdrawn by the union (i.e.: the employee was not reinstated).

e) Employees who have been reinstated by the arbitrator are paid as per the arbitrator's award. In the case of an administrative discharge (released for incapacity), the employee continues to work while the case awaits arbitration and therefore sufers no loss of pay. In the case where an employee is reinstated after being discharged for disciplinary reasons, the corporation will ask the arbitrator to determine whether or not the employee made a reasonable effort to mitigate his/her loss (i.e.: did the employee seek other employment during the period of time not worked?). In addition, the arbitrator may substitute a suspension without pay for periods up to the amount of time between the discharge and the arbitration hearing. Generally, the suspension will be of a shorter duration; however, no pay is owed for that period. Any money earned by an employee during the suspension (mitigation) reduces the pay owed by the corporation.

f) No. The arbitrator's decision is final and binding on the parties. In some cases, however, the question of mitigation is raised (see part e). In these matters, the corporation will ask the arbitrator to reopen the case to determine whether or not the reinstated employee made a reasonable effort to mitigate his/her loss during the period of discharge.

[*English*]

The Acting Speaker (Mr. DeBlois): The question as enumerated by the parliamentary secretary has been answered.

Mr. Cooper: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

The Acting Speaker (Mr. DeBlois): Shall all notices of motions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Vic Althouse (Mackenzie) moved:

That this House call on the government to support unequivocally any final GATT accord that:

(a) provides for the maintenance of viable and effective supply management programs as an essential element of Canadian agricultural policy;

(b) ensures the ability of Canada, through a clarified article XI, to control effectively imports of milk, eggs, hatching eggs, chicken and turkey, and products containing a majority of supply managed products;

(c) permits Canada to retain the Crow benefit in its present form which was necessary for the development of the Canadian prairies and which continues to be necessary for the viability of that region and the nation;

(d) reduces export subsidies that so grievously hurt Canadian producers; and

(e) requires participating governments to provide impact assessments to their national legislatures prior to acceptance.

Mr. Dingwall: I rise on a point of order, Mr. Speaker. Under the provisions of Standing Orders 41 and 43(2) the respective parties have the option of splitting their time accordingly.

I am wondering if there would be a disposition within the House so members of our party would be allowed to split their time into seven minutes of speaking and three minutes of questions and answers, thereby utilizing the 30 minutes which would be given to our side.

That is the way in which we would like to proceed for the remainder of the day.

I had some consultations briefly with the parliamentary secretary as well as with the NDP House leader. I am wondering if there would be a disposition for our party to proceed that way.

Mr. Cooper: Mr. Speaker, I would like to indicate to the House and to the House leader of the Official Opposition that yes, we would be happy to co-operate on those conditions.

I want to indicate to him as well that we on this side, after our first speaker, the Minister of Agriculture, would also like to split our time.

Mr. Riis: Mr. Speaker, pursuant to Standing Order 43(2), again, I think that we should proceed this way. Any party will have the flexibility to break up its speakers into any segments. It should be left up to that particular organization.

The principle is certainly supported.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

Mr. Cooper: Mr. Speaker, I want to clarify one point. The Liberals have indicated that they would like to go seven and three.

On our side, we wish to do the ten and five which is an exact half-split.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I may remind hon. members that in view of the three-minute period for questions and comments, their questions and comments must be concise.

[*English*]

Mr. Althouse: Mr. Speaker, to begin I would like to recognize that today the House has come forward with an unusual ruling and precedent setting ruling, I hope, in that the government has finally recognized that at times opposition days can be used in the manner that today's day is going to be used. This is something that backbenchers on all sides of the House have been fighting for ever since the McGrath commission in the mid-1980s. Today we finally have the first opportunity to permit that proposal to operate.

There were attempts last fall. I was part of that effort as well. I tried to get the House to discuss the question of the need for a special grain payment of some $1.3 billion to grain and horticultural farmers. The government chose not to participate in that. It wanted to take the ruling and the precedent and the tradition that opposition days were supply days. This meant that the government and the opposition had to be opposed to each other and that if the vote were positive the government would have to fall. We tried to assure them that that would not be the way the opposition would consider such a vote in that case.

I am pleased that we seem to have come to that point today at the beginning of this debate, particularly since the topic on the table today is so important for a broad section of Canadians living in rural communities.

The GATT talks were initiated in Uruguay and have been ongoing for four or five years now. Part of what precipitated them was a grain war that had broken out between the United States and the rest of the world, particularly the European Community. When we returned here on February 3 we were faced with a Dunkel report. Mr. Dunkel is the Secretary-General of the GATT and is in charge of all of the negotiations. He prepared a report and required governments to begin responding to that report in mid-January.

We arrived not knowing yet what the response of the Government of Canada was going to be. I moved to have an emergency debate. The Speaker in his wisdom decreed that this could probably be dealt with adequately in an opposition day, and so today is the day.

The motion itself was drafted with the assistance and acceptance of a great range of affected groups, many of whom have representatives today in the House. These are people from the various supply managed marketing boards from dairy through to chicken, turkey, eggs and hatching eggs. They are all here and they were all participating in the preparation of this motion.

We are hoping that so-called balanced approach of the Government of Canada will get back in balance and that the amended Dunkel report which will be discussed in the final stages of the negotiations of GATT will contain a clause strengthening and clarifying article XI 2(c)(i). That did not show up in the report and that distressed a great many Canadians who had been watching the application of the government's strategy of its so-called balanced approach at these talks.

• (1530)

I know there are some members of the government who have for a long time had great difficulty with the idea of supply management and of marketing boards in general. I know this because as a farmer and a member of farm organizations during the 1960s and 1970s and before coming here, I watched, sometimes with dismay, as members of the Conservative Party would go to the wall and fight to keep any effort at supply management and marketing boards from coming into law in this country. In fact, the marketing board legislation that the country has now requires coming to Parliament each

time that a new commodity is proposed to be included under supply management.

We can thank some of the people who now sit in the cabinet for that circumstance. The original act was written quite broadly so that all that needed to be done was that a majority of farmers in each of the provinces had to decide, vote for and participate in a supply management system and it could become the law. Thanks to the efforts of some people who are still in the cabinet that was made impossible. As a consequence, any time a new product needs to be added they have to come to Parliament and amend the law to include it.

I understand there are some problems with the concept of supply management on the government side. These are long standing. They are ideological and there are politics that go back a long way.

The negotiators and some of the press have been saying that it is a little difficult handling this two-track policy. We are maintaining supply management on one hand and asking for open borders and no interference by governments in trading. This is very difficult to manage. It is not really consistent with what GATT is trying to do. I think we are being a little too cute by using that argument.

First, I think when we get to be purists on these kind of arguments we should always remember the quip by a British diplomat from the last century who said: "Consistency is the refuge of small minds". I think consistency in this case can be carried to extremes. If the GATT participants are having great difficulty handling inconsistencies, how is it they can manage to have a whole section on the protection of intellectual properties when the whole concept of having intellectual property is to protect a patent or a copyright or an invention and put state proposed and state supported impediments to the free access of that idea or that invention? GATT had no problem dealing with that irrationality. The inclusion of intellectual property rights in GATT was seen as consistent because it applied a certain set of rules which would be similar from one country to the next.

That is the key. The application of rules from one country to the next is exactly what the supply management people are trying to achieve. Article XI has been a part of GATT almost from the beginning of GATT in the middle 1950s. An improved, clarified article XI with the amendments that have been proposed by Canadian producers and their organizations in making article XI 2(c)(i) would make those rules clear. It would make it clear that imports of commodities made from supply managed products that contained more than half of the supply managed product in their make-up, formula or recipe would also be subject to the kind of management system that affects those products within the country.

We have to remember that supply managed products do not become a burden on the rest of the world. They do not burden the rest of the world market. They are not dumped. Generally speaking, the process in Canada has been that all supply managed operations produce slightly less than the Canadian market needs. They try to get it very close to what Canada needs, but there is always room for a small amount of imports to take up any slack so that consumers do not lose the ability to have that product available to them.

If we understand the full implication of the special nature of agriculture production, we will have less problem with the concept of supply management. A lot of the production in agriculture is perishable product that cannot be stored cheaply and is expensive to transport. Therefore it makes sense for it to be produced in relatively small units, relatively close to the consuming population.

It is probably no accident that most of the supply managed products in this country are specifically those kinds of products that are more perishable than grains, for instance, and some of the oilseeds.

All products in all agriculture production have a special quality in that they are food for humans. Because it is food for humans, surplus production becomes something that every human being attempts to do. We always want to have at least enough food for ourselves. We usually have a small surplus in our homes available to us. This is only natural and prudent. We can argue that it comes from back in the days when we were hunters and gatherers, but that does not explain it away. It is still a necessity and it is still an understandable reason for people and for nations wanting to be able to produce most of their own food and to be close to self-sufficient.

Supply management has turned out to be a very rational way of matching domestic requirements with domestic production. It is a very rational business response to a basic production need.

It is more efficient in real terms than open market supply systems because resources are never wasted on overproduction. In other words we do not produce a bunch of stuff and look around for a market for it and, when we cannot find it, end up watching it rot, burying it, throwing it away or disposing of it by means of consumers buying it very cheap and throwing most of it into the garbage because they cannot eat it all.

It is still a very competitive system because it encourages efficient production. As proof of that, I point out that in Canada where we have supply management for chickens and milk production, our production per hen and per cow is higher than in the United States where they do not have supply management.

Supply management encourages the perfection of technology and its earlier adoption. I point to our own experience, but I would also point in this regard to the United States and the Europeans in terms of crop production. They have been using forms of supply management to take some of the land out of production to reduce the over-all production of the country. As a result they have developed systems that use fertilizer and chemicals, sometimes with irrigation, and produce average yields that are much higher than was the case before. I contend that would not have happened had there not been supply management to encourage the most efficient use of the best resources to get those yields. It is necessary for the improvement to the over-all agricultural technology to have this sort of system at work.

We are told that the business of GATT should really have been to get rid of all subsidies. Who are the big subsidizers that the GATT has been trying to get at? We hear a lot about the Europeans because we live next door to the Americans who started a trade war with the Europeans, and most of the information we get about this subject is by way of war propaganda. They are in fact at war and wars also have a lot of propaganda surrounding them.

• (1540)

When we look at the OECD statistics—and we should remember that the Prime Minister likes to quote the OECD as an outside, unbiased source of all statistics—we see that when we use the application of producer subsidy equivalents for comparing the subsidization levels in each of the countries, Europe in fact does have the second highest level of subsidization in the world after Japan. Japan's average level, using 1986–1988 average figures, was 76 per cent subsidization. For Europe the level was 50 per cent subsidization for its average production, and in Canada it was 46 per cent. We were only 4 percentage points lower than the Europeans. Then we had the United States at 39 per cent.

We did have some countries like Australia that only depends on 12 per cent subsidization for its production. We had others like Argentina that actually pays money in taxes before its farmers can export. It has the opposite of subsidization; its farmers actually subsidize its consumers in Argentina and one or two African countries.

What does the OECD predict would happen with agriculture trade liberalization? For Canada, taking all commodities, our production would go down 16.7 per cent, using those three years as averages. Of course grain growers are going to say: "Aha, that is because the supply management people are going to have to go out of business. Of course production in Canada will go down".

But when we look at what happens to exports under the OECD predictions in a no-subsidy world, we see that exports drop 42.5 per cent. We know that we do not export any of the supply managed products; we only export grains and oilseeds. It is obviously going to hurt our exports of grains and oilseeds if we go to a completely subsidy-free world.

We note that they predict agriculture wages will drop 8 per cent in Canada, 4 per cent in the European Community, and 5 per cent in the U.S.A. Land rental and land values will drop 53 per cent in Canada in a fully subsidy-free world, 40 per cent in Europe, and 41.2 per cent in the United States.

Our export prices will go up slightly, 3 per cent. Europe's will go up about 2 per cent, and the United States' will go up about 1.6 per cent.

Who benefits? It is not the farmers in Canada, the European Community or the U.S.A. They are all worse off. How about the consumers then? Do they get a benefit? Well, not much. European Community consumers will see a drop in prices of .6 of 1 per cent, six-tenths of 1 per cent. In the U.S. consumers will pay 1 per cent more than they are paying now, and in Canada consumers will pay 1.5 per cent more than they are paying now.

What was all the fuss about? Yes, Australia and New Zealand will benefit slightly. So will Argentina. But there is not much going for these three developed countries that I have been concentrating on: Canada, the European Community and the United States.

We see that there is not too much to be gained for Canada. Our farm output will drop and it will also drop in the United States. To get all of this, so far we have failed to protect our own grain producers in this country by allowing some clauses that will affect the way we export grains. We have failed to strengthen article XI 2(c)(i). We have not mentioned anything about strengthening or clarifying that article. We have left the families who are now producing products under supply management out to dry.

If this House does not send a clear signal to its negotiators to get a clear and effective article XI 2(c)(i) in the GATT, we will lose about 100,000 Canadian families in rural Canada; 38,000 of those are on farms, 22,900 are employees of those farmers, and 36,300 are in processing jobs that will be lost. The value of farm production lost if supply management systems go will be $4.7 billion of farm production, plus $5.5 billion that we gained by added production through processing, meaning a net loss to the Canadian economy of over $10 billion.

This is an important signal that we will be sending to our negotiators. It is extremely important that they go forward, that our government send them a clear message as to what their role will be and that the government pays attention to the motion which we hope will pass here today, and that the government comply with it very religiously because it is of grave importance to all Canadians and especially to those who live in rural Canada.

Hon. Bill McKnight (Minister of Agriculture): Thank you, Mr. Speaker, and colleagues who have worked together on this day. We believe that agriculture is an important sector of our economy, and those men and women who are involved in it feel this is an important debate and an important opportunity.

My colleague from Mackenzie put forward some arguments, suggestions and comment that I think would be useful for people around the world, particularly those in some embassies who may be watching this debate that is taking place in the House of Commons. I think they are important points and points that I would like to attempt to emphasize.

This is an opportunity I think also to clarify—we have been using that word in this debate for over two and a half years—and set the record straight on the government's longstanding commitment to a successful conclusion of the Uruguay round of the GATT negotiations. The government has been involved, as other governments have, over five years in this Uruguay round. It is an important round.

As we know, the director-general of GATT, Mr. Dunkel, on December 20 issued a text. He had worked with the countries of the world, some 108 members of GATT, to attempt to come to a conclusion at the negotiating table. He was unable to do that. He then took the debate and the proposals of governments, bound them in a text, and said: "This is as close as I can come to a conclusion. I put it out for nations of the world to look at and to then respond to it".

The GATT members assembled in Geneva on January 13 to make that response to the Dunkel text and to give their reaction. It is interesting to note that not one country of the 108 rejected the text as a basis to continue the negotiations to a successful conclusion. No one has rejected it. All GATT members have remained at the table to put their position. Canada has remained at the table to continue to put our position. The ambassador for Canada, Mr. Shannon, was quite clear in putting forward Canada's position.

The next important milestone or step will be March 1, as proposed today in the Dunkel text, where countries will be expected to table their revised offers on market access for agricultural products. They are still looking at the impact naturally at that time when all countries will put their market access proposals. Our trading partners, as will Canada, will have to put proposals forward. In general we are optimistic about some parts of the Dunkel text. On other points, particularly in regard to article XI and the strengthening and clarifying, we have grave reservations. We are continuing to pursue the

position that was developed by the government in co-operation and on the advice of the stakeholders, the producers, and the provinces which also have an important role in supporting the supply managed sector of our economy in Canada that has benefited agriculture over the years.

• (1550)

Between now and March 1 negotiations will proceed on four tracks. Discussions on any changes in the package will take place at the trade negotiating committee.

I know that people want to be realistic and realistically any changes would have to be agreed upon by nations before they would be taken to the committee. Mr. Dunkel has said he will hear the proposals but there had better be agreement before coming into the room.

There is no longer a table that countries will work at. They will work individually with other nations of the world in an attempt to make their point understood and have it accepted.

There will be legal drafting that will take place to clean up some inconsistencies in the draft text, but that will be done without changing the balance of the text and the market access negotiations on services will develop schedules of initial commitments that will be tabled.

The market access negotiations on goods will develop schedules for market access concessions as well as the commitments on export subsidies and internal support for agriculture.

There is no doubt, Mr. Speaker, since the 13 of January there have been intense negotiations among our trading partners and that will intensify once those schedules are tabled.

Having expressed what we object to in the Dunkel text, there are areas of considerable promise for establishing a freer, more stable and less distorted agriculture trading community. The draft agreement would indeed provide an improved and more secure access into foreign markets. As well the U.S. section 22 import waiver which has been a temporary waiver in place for almost 40 years, as I understand it, and the EC variable import levies would be removed. They would be as the text is written today converted to tariffs.

There is no doubt that the Dunkel proposals would allow for a better and more secure access for Canadian exports to foreign markets but the multilateral trade rules under which we in Canada benefit would be strengthened and would apply equally to all countries. That is an important point.

The agreement also defines non-trade distorting assistance or programs which governments can use to support farm incomes. That is a very important aspect in itself, but more important, once those programs are identified as being green in GATT terminology, they would not be subject to countervail. That is of particular importance to Canada because, as you know, in the agrifood industry we have to continue to have access to law in order to prosper. There has to be an end to the trade war.

Therefore, Canada like other members of GATT would have to adjust some of its support programs in order to implement the GATT proposal.

Ms. Copps: Shame.

Mr. McKnight: I am pleased to honour the member from the Liberal Party into the debate. She cries "Shame".

Canada will have to adjust some of its support programs because it does not seem consistent with logic that you would say to other countries there are areas that we want you to reduce, that you subsidize and you distort trade, and in Canada we ask that we be able to allow to continue to subsidize and distort trade.

I say adjust because we are talking here, Mr. Speaker, about the export side of the agreement. When we take a look at the trade distorting subsidies, there would be a levelling of opportunity for support.

Support can be given to agriculture in the green category. It means that we will have to work to design programs that do not distort international trade, and indeed,—

Ms. Copps: We don't distort agricultural trade.

Mr. McKnight: The hon. member from downtown Hamilton with her agricultural expertise should maybe talk to her agricultural critic or watch as her agricultural critic makes his presentation.

The difficult thing to put forward is that we do have an opportunity on the export side, as other countries will, to adjust and support our agriculture sector of the economy in a non-trade distorting way. That will be recognized by the members of GATT if we are able to come to an agreement.

My hon. colleague would know about the Crow benefit, if you want to use it. It is one example. There are a number of ways. I identified them in a document that I sent to producers who were involved in transportation talks. There are a number of ways that we could adjust that benefit and have it maintained for the producers in Canada who have found it a very supportive program. It has indeed been a necessary program and should be maintained.

There is nothing to say that countries cannot adjust in some of these export examples. Any of the changes which will create a more fair and responsible trading environment is good news for our export industry, for our red meat industry, for our grains and oilseeds industry, and other areas of agriculture where we export products around the world.

We did not get everything we wanted even on the export side as other countries have said when you look at the—

Ms. Copps: It's all over.

Mr. McKnight: I am sure, Mr. Speaker, with the arrangement that the Liberal Party has made to divide its members' time, we will be able to hear from the member for Hamilton East. She will be able to give us her opinion and her thoughts on an important segment of the Canadian economy called agriculture. I hope she will be able to do it standing, rather than sitting.

If we could continue, the proposals do not reflect what we asked for originally. It does not mean that we will not continue to work for them. We have been able to do that in conjunction with other nations.

We asked for a total elimination of export trade distorting subsidies and that has not appeared in the Dunkel text. We must remember that Canada is one of 108 countries which are involved in these negotiations that have been going on for over five years.

The Dunkel proposal does provide some opportunities in the agrifood sector and we welcome them.

I expressed our grave reservations and our disappointment that article XI was not strengthened and clarified as we had put forward. Everyone knows that is a section of the agreement that basically at this time allows border control. That allows us to have the supply managed industries that we have in Canada.

The current proposal is to put tariffs or tariff equivalents in place of border control, which we find objectionable. In the proposal by Mr. Dunkel, although article XI remains, it could not be resorted to by countries during the implementation period, which we do not accept.

It is very important to remember that this is a basis for negotiation. Canada will continue where we find strength, and wherever we can, other partners to put our position as we have over the last five years.

We hope to have progress. We are working toward that. I mentioned today why I thought this debate was important in the House, so we could come together to send a message to the world. We remain committed to a stronger article XI, and that was on the advice of the industry.

Over the past years, there has been an erosion of the ability of article XI as it is interpreted today by GATT to protect our supply managed industries. I can only draw to the attention of the House that processed products, such as ice cream and yogurt, had a GATT ruling against our import controls. It is still an outstanding ruling. There was concern there could be countervail levied against other processed products of the supply managed industry and we would lose the ability to control imports at our borders.

• (1600)

Our position has been expressed by ministers. The Minister of State for Grains and Oilseeds, the Minister of State for Agriculture, the Minister for International Trade and myself on several occasions around the world, as a matter of fact, from Japan, the United States and Europe have continued to do that with the support of the industry and I believe, with the support of other parties in this House. We will continue to do that.

Our position has not changed. We have consulted with the industry throughout these negotiations. Our position was developed with the industry and that is the position that Canada has today. It is the position we are supporting in these direct negotiations with other countries.

We know from experience that supply management is an effective marketing system. It has worked and it has been working hard to evolve to market demands. It has shown its flexibility over the last number of years in being able to adjust to accommodate change.

One point I would like to draw to the attention of members is that the industry, both the processing and the producing, and the governments worked hard on the dairy task force, the poultry task force. They are designed to allow the supply managed industries to continue to adjust in the future.

Our position going into GATT was to support supply management. We have that position today. It is a position that I am quite comfortable in continuing to defend. In fact, we have intensified our consultation with government and industry which has been a constant factor over the last number of years in developing our position. I am confident that the industry is aware of the position that the government has presented on their behalf. They have been with us. They have been with us in Geneva and in other areas around the world where we have presented Canada's position, which is supported by the industry.

No one can be sure how the GATT talks will end. I know that members understand there is a benefit to freer and fairer trade in the world and there is much to gain. Although Canada is large geographically, it is not large when it comes to the strength of our economy. Canada does have a benefit in having trade law that allows us a way to defend against the pocketbooks or the treasuries of more powerful trading blocs.

As I have said, the next deadline is March 1. That date is important. It may not remain constant. It may shift. We have seen changes in the dates of this round in the past. As a matter of fact, it may be important to draw to the attention of the House that the original schedule for concluding the Uruguay round was a little over a year ago, about 13 months ago, December 1990. Because people faced the reality that there could be a failure of a very important agreement to the international economy if there was a failure of this round, we have redoubled our efforts over the last number of months to present our case.

I can assure all members of the House that it is important to the Government of Canada. It so important that the Prime Minister is inviting national farm leaders to meet with him and government ministers on Tuesday, February 18 in Ottawa to discuss the agricultural component of multilateral trade negotiations.

An hon. member: Don't take credit for things you don't do.

Mr. McKnight: Mr. Speaker, another Liberal speaks from his seat.

I would like everyone to understand how it is important to the government and it is important that we be able to come together, I would like to present a motion to amend the opposition motion.

I move:

That the motion be amended

(a) by striking out, in the first paragraph, the words "call on the government to support unequivocally" and substituting the following:

"supports the government's efforts toward reaching";

(b) by deleting, in paragraph (c), the words "in its present form";

(c) by striking out, in paragraph (c), the word "was" and substituting the following:

"is"; and

(d) by striking out, in paragraph (e), all the words after "governments" and substituting the following:

"in co-operation and at the request of affected industries to provide impact assessments."

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair will take the motion in amendment moved by the Minister of Agriculture under advisement. We will now proceed with questions and comments.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, it is commendable that the government has agreed not to make this a motion of confidence in the government because we need to come together as a House of Commons to bring all possible pressure to bear in the

GATT negotiations which are going into the last eight crucial weeks.

I really am amazed at the minister's amendment because he proposes in paragraph (e) that economic impact studies will be provided at the request of the affected industry. We were told this morning by Waldie Klassen of the Canadian Chicken Marketing Agency that their industry had asked for such an economic impact study and the government had not provided it. So I would be interested to know why the government is refusing to provide that to the Canadian Chicken Marketing Agency when it is putting in its motion now, the amendment, that it will provide it.

In the second part of that same paragraph (e), the amendment is removing the provision that economic impact studies be provided to national legislatures. What is going on here? The government is always talking about freedom of information, yet it is removing from the motion before the House today that members of Parliament be provided with those critical studies.

If we are going to support the government in any agreement it reaches at the GATT, we have to know what we are voting on. I am just dumbfounded that the government would put down an amendment which would provide economic impact studies which it refused to provide to the Canadian Chicken Marketing Agency and, I assume, to other groups. At the same time, it is removing the provision in the original motion that this information be provided to members of Parliament. Surely that is totally unreasonable.

I would like to ask the minister why the government has refused that information to the Canadian Chicken Marketing Agency and why it is proposing in this motion to remove the provision of providing these economic impact studies of, in this case, the Dunkel proposals, to members of Parliament.

Mr. McKnight: I would like to address my hon. colleague's last question. The amendment says "in co-operation with the industries affected". He will know that on January 9, some time after the Dunkel text had been delivered, which is a basis of negotiation, I contacted the heads of the supply management agencies, the Canadian Federation of Agriculture and my provincial colleagues, the ministers of agriculture and said to them now that we have this text, it is difficult to argue against what is in something unless you know what it contains.

Up until that point, we had never done an analysis of the tariff numbers. We tabled, as other countries did in 1990, some numbers, but they certainly were not the numbers that were put forward out of the Dunkel text. I said we would now like to look at the text and see what numbers come out of that text. We would provide the numbers to the agencies and then ask the agencies: "Are these the numbers as you interpret the Dunkel text?"

• (1610)

As soon as we did that, members in some political parties and some of the supply management agencies said: "Oh, the government is looking at tariffication because they have taken the numbers from the text." It is important to understand that we did not argue on numbers because we did not have tariffication as a government position. We do not today. What we did was argue for strengthening and clarification. You cannot argue for strengthening and clarification and then say: "What about the numbers?", so we did not until we had the authority of the agencies.

I still have not received, and neither have my officials, confirmation from any of the agencies that those numbers are the numbers that are found in the Dunkel text. No one has worked with us to say that these are the numbers that we find in the text.

It appears that some members in the supply management economy are saying that because we gave them numbers after we asked for authorization, that we have changed our position. We will not be doing impact assessments unless we are directly requested to do so by the supply management agencies. We should do them co-operatively, share our knowledge and our information because to do it independently would leave out an important partner.

That is the answer to the hon. member's question as to why we put forward the amendment.

The other point that I think has to be understood is that we sat down some two years ago and designed the position that Canada has presented and continues to defend and present. It was designed with the industry and will continue to be the position put forward by Canada, and the attempt to attract support will continue and for that we need the support of the industry.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, there are more than a few questions that come to mind after listening to the minister's presentation. Nevertheless I will restrict myself to three brief questions.

The minister seems to imply that the concerns that many people are raising are premature and in fact perhaps paranoid. Therefore, I would like to ask the minister, in his honest assessment, who does he see as being the winners and losers in the Dunkel document as it stands now? If this were the basis for a final settlement who in Canada would win and lose?

The second question is about annex 7(e) and the whole question of the Crow benefit. Yesterday the negotiators said that 7(e), as it appears in the text, is not necessarily linked to the question of method of payment, yet the minister, by introducing these documents into the grain transportation hearings on the prairies, has clearly linked the question of method of payment to what is happening at the GATT, thereby undermining the support of grain farmers for the GATT process. He has further intensified those kinds of fears on behalf of grain farmers several minutes ago by introducing an amendment that would remove the Crow benefit in its present form from the motion before us.

The third question I would like to ask him is this. Although it may be a political question of whether economic impact studies are done, the Oldman dam decision has said that when policy decisions with environmental impacts are made by the government, there is a clear legal requirement that the government do environmental impact analyses. Are the processes in place to do those environmental impacts of changes at the GATT before the deadlines which the GATT process imposes upon us?

Mr. McKnight: Mr. Speaker, first I would like the hon. member to point out where I suggested that people were being paranoid and premature in their concern. I would like him to point that out.

Mr. Funk: Mr. Speaker, perhaps while I look that up, the minister could answer the other two questions that I raised.

Mr. McKnight: Maybe the hon. members would be able to co-operate. I would like to quickly attempt to answer the three questions.

Canada's objective, when we entered into this Uruguay round, was to get substantial reductions in trade distorting subsidies, in particular in export subsidies. These were positions we had developed with the industry. In the Dunkel text there is a clear definition of trade distorting agricultural support. It defines other domestic support, which is to be reduced by 20 per cent over six years. It calls for export subsidy spending to be reduced on the financial side by 36 per cent. It calls for a 24 per cent reduction in volume.

Those are benefits, and consistent with our objectives of where we—

The Acting Speaker (Mr. DeBlois): Order, please. The time for questions and comments has now expired.

[*Translation*]

Before resuming debate, the Chair wishes to inform the House that the motion in amendment moved by the Minister of Agriculture is admissible.

The debate will now be on the main motion and the motion in amendment.

Earlier today the opposition House leader requested and obtained unanimous consent for dividing his party's speaking time into thirds. In other words, there will be three Liberal speakers, each speech followed by a three-minute period for questions and comments.

[*English*]

In other words, I will give the floor to three Liberal speakers and between each speech there will be three minutes for questions and comments period.

Resuming debate, the hon. member for Algoma for seven minutes.

Mr. Maurice Foster (Algoma): Mr. Speaker, the motion before the House today is perhaps one of the most important motions, and this debate is the most important before the House this spring for some 36,000 dairy, poultry and egg producers across Canada.

The motion itself speaks about the maintenance of the supply management system, the arrangements for import controls, retaining the Crow benefit, reducing export subsidies for our grain and oilseed producers in the international marketplace, and the need for impact statements.

This is more than just a discussion about a group of bureaucrats in Geneva arguing about the text of a 427-page document called the Dunkel report. It is about thousands and thousands of Canadian farm families who are scared to death that this government is going to sell them out during the final eight weeks of the GATT negotiations, that they are going to end up losing the provisions for import controls, the basic foundations of the supply management system. They are scared stiff that we are going to end up with a dairy and poultry industry in Canada like that in the United States, where most of the eggs are produced in Georgia and Alabama and the poultry products in California. Dairy farmers by the hundreds are going broke day by day.

• (1620)

That is why some 1,400 farmers paraded out of the Sir John Carling building last Friday. That is why some 2,500 farmers paraded before the meeting of the heads of governments on Monday of this week at the Lester B. Pearson building. They are concerned, and that is why there will be something like 22,000 or 25,000 farmers in this city a week from this Friday.

This is of incalculable importance to that industry. We are talking about a $10 billion industry, 36,000 farms and families, 22,000 employees and a whole dairy and poultry processing industry involving some 95,000 jobs.

This is a very important debate. It is a debate where we are calling on the government to use every diplomatic arrangement it can muster so that the final conclusion, if it is reached at GATT during the next two months, will be a retention of our supply management system.

It is a unique system. It is a system that does not flood the world market. It provides producers with a reasonable return on their investment, and it is a system that we want to keep. It is impossible to describe the adverse impact the report would have. Look at the figures provided this morning by the Canadian Chicken Marketing Agency. It says in three years, if the Dunkel report is adopted, 86 per cent of Canadian producers will be out of business. Out of 2,411 producers only 330 would remain. Within two years the production of chicken would cease in Atlantic Canada.

It is unlikely that any processing plants would survive the first several years. Within six years, which is the end of the Dunkel proposal period wherein tariffs would be reduced, there would be something like 39 producers left in the country.

The minister talks about providing impact studies. The Canadian Chicken Marketing Agency said that it had asked for them and the government had not provided them.

We are really under the gun as legislators to bring every ounce of energy and pressure to bear to ensure that these vital industries survive. Imagine 95,000 jobs. Imagine Atlantic Canada not producing any poultry products. That is the genius of this system. Areas without large populations and metropolitan areas can continue to have a viable family farm operation.

It would be impossible to exaggerate the importance of what the government must do. There is great concern that the government is saying the right thing but is not doing the right thing. I say to the Prime Minister that he should attend the meeting next Tuesday which has been called at the Skyline Hotel. He should rally the support of the five other nations which support our position, including Japan. He should get a joint statement from heads of government which calls on the other members of the GATT agreement to support our position. We do not want to flood the market. We want to give our producers a reasonable return on their investment. We want to retain the family farm.

After he has secured that joint agreement with the other heads of government that support our position, I say the Prime Minister should sit down with the President of the United States and the President of the European Economic Community and seek their support. After all, those are the two main trading blocs. They should secure a strengthened and clarified article XI in the new GATT agreement that is proposed to be put in place this spring.

So I move, seconded by the hon. member for Gatineau—La Lievre:

> That the amendment be amended by changing the period at the end to a semicolon and by adding the following words:
>
> And that this House call upon the Prime Minister to involve himself personally in the GATT negotiations in the interest of Canada's dairy, egg and poultry producers by meeting with the President of the United States and with the President of the European Community in order to secure their support and to do so in co-operation with other countries that agree with Canada's position on a strengthened and clarified GATT article XI.

The Acting Speaker (Mr. DeBlois): The Chair will consider the amendment just moved by the hon. member for Algoma.

On the three-minute questions or comments period, the hon. Minister of Agriculture.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the amendment that has been put forward by my colleague, the member for Algoma, is important and I am sure we will be able to discuss that amendment among colleagues.

I would like to draw to the attention of the House and the hon. member that the Prime Minister met with Mr. Lubbers and with Mr. Delors. He met and communicated with President Bush and has been involved over the last three months in supporting this position. He has argued reasonably and strongly on why this was important to Canada.

As I said, the amendment put forward by the hon. member for Algoma is important and I am sure I will be able to discuss it with confidence with my colleagues.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am encouraged by the minister's words. It seems to me that if the heads of five governments that support our position, including Japan which is a major trading nation, were to prepare a joint declaration that could be taken to a joint meeting with the two presidents of the European Community and the United States during these final eight weeks of the negotiations, or at the appropriate time during those negotiations, it would be a very important part of those negotiations.

Canada and Japan are members of the G-7. Their position is very important, especially when we look at how reasonable our position is. We are allowing increased access. We are reducing subsidization although there is practically none in that realm. We are not pushing surplus, cheap foodstuffs on the market and causing a problem. Our producers in many cases are being asked to solve a problem that they have not really created.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, earlier this afternoon in the House the minister made fun of me and said that because I was an urban member, "the downtown member from Hamilton", I obviously should not have interest in this issue. I would like to point out that if we are going to win this fight it is urban Canadians across the country who have to understand what is at stake. I am unlike the minister who stood in this House and spoke in the past tense about supply management. I am one who understands that tariffication is not supply management and tariffication will mean the death of the family farm in Canada.

If that minister continues to stand in his place as a mealy-mouthed apologist for the Dunkel report, you can be darn sure that every member on this side of the House including the urban members will be there. Do you know why I want to be there? I would like to quote from a speech given by my colleague, the member for Haldimand—Norfolk.

> This argument is not just about food and it is not just about farmers being displaced. It is about the ability of a nation to produce food and secure its supply of food for the present and for the future.

Effectively the Dunkel report would wipe out the family poultry business in Atlantic Canada. Within six years there would not be a single family business left in Atlantic Canada.

[*Translation*]

We already know the devastating impact this will have on Quebec farmers, as announced by the UPA. We know what the effects are.

• (1630)

[*English*]

A nation that cannot feed itself is a nation that is prey to the vagaries of not only the international marketplace but in 50 years from now if we cannot feed ourselves we will be a country that could go to war for food.

We can opt for the option of vertical integration. We can opt for the option of having 39 producers left out of the 2,411 chicken producers in Canada.

We might get some short-term dividends. We might get some short-term gains but in the long term what that will mean for consumers in the riding of Hamilton East is they will be paying more for every chicken in their pot.

The lessons of the family farm, the lessons of arable land, the lessons of the environmental questions of the 1990s are not the lessons of the vertically integrated big companies. They are the lessons learned by family farms that have stayed in the family from generation to generation to generation.

Ralph Ferguson has a legacy for his children and his grandchildren, and that legacy is to produce food, food that for Canadians is still the second least expensive in the world, to produce that food and to allow his children and his grandchildren to continue to produce it.

Is that the view of Cargill? Cargill has to answer to its shareholders who are looking for annual dividends, understandably.

[*Translation*]

However, there is a difference between our country and the United States. The minister referred to those among the 106 countries at the GATT talks that are against us. There is one country the Prime Minister and Minister of Agriculture will have to persuade to change its mind.

[*English*]

You can talk about the 106 countries. The country that we have to get to is sitting south of the border. It is the good friend of the Prime Minister. Yes, he went fishing down in Kennebunkport. He went fishing for a job. And he came up flat, not only in his own personal ambitions, but also he came up flat for the farmers of Canada.

The Minister of Agriculture has failed once again to explain to the House. Yes, we know that the Prime Minister has spoken to several international figures on this issue, but he has failed to get his message across.

Since January what specific initiatives has this government and this Prime Minister taken to get the message across that we are not going to take it any more? We are not going to allow Canadian farm families to go the way of the dodo bird. That is what the Dunkel report would do and that is what this minister who publicly is stating his support for supply management, but who privately is already—

[*Translation*]

He is already clearing the way for tariffication, although surely he must know this means the end of the family farm in this country. Yes, I am an urban member.

[*English*]

You can sit there with that smarmy face and smirk at me. I am an urban member of Parliament, but like every Canadian I believe there is something that makes us different from the Americans. It is that we have developed a system to protect our food supply, not only for this generation but for future generations.

We threw away our capacity to be sovereign in a number of areas with the trade deal. Remember, the government said: "Oh, yes, but we'll be able to get everything so much cheaper. Come on board, consumers, because we are going to be able to profit from this trade agreement".

In my province alone, one-third of the manufacturing jobs have gone down the tubes. Now the government is asking us to follow once again.

Well, I say one thing. I congratulate John Wise who had the guts to leave this government before marketing boards were put on the table. You will remember, Mr. Speaker, that in the last election—

[*Translation*]

—he gave us every assurance that this system would never be tampered with. But he knew.

[*English*]

He knew that what Eugene Whelan began was going to be put to death by this government either privately or publicly. On this side of the House, we will get every member. I do not care if you are from downtown Hamilton, from downtown Wawa, or from downtown Prince Albert. We need your help to fight this fight and we need to convince this government that it has to get through to its friends in Washington to let them know that in Canada, we reserve the right to be different.

We reserve the right to remain Canadian. Above all, we want sovereignty in our food supply.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I would just like to draw to the attention of the hon. member who just concluded her address that in the Cairns group, of which Canada is a member, there are some 14 member countries: Australia, New Zealand, Argentina, Brazil, Chile, Uruguay, Columbia, Fiji, Hungary, Malaysia, Indonesia, the Philippines, and Thailand.

We cannot allow anyone to think that there is just one nation that we have to convince to accept the position that Canada has. We cannot convince the members of the Cairns group to support Canada's position. That does not mean we have stopped. That does not mean that we will not continue. What it means is we do.

I agree with the hon. member. We need the support of everyone in this Chamber and we need the support of people outside. It does not help the cause of trying to get support from countries to say that there is one country or it is one person's responsibility.

It is a position we developed jointly with the industry supported by all parties in this House. I am sure when it is voted on today, the motion will receive the support of all parties in the House. That will continue to strengthen the ability of Canada to carry the message forward and have our position accepted.

Ms. Copps: Mr. Speaker, I am quite aware of the fact that the Cairns group comprises more than one party.

The minister should also be aware of the fact that his own official said yesterday that it was the Americans who were the stumbling block.

We know that this is an American and European fight. We also know, contrary to the minister's statement a few short minutes ago, Canadian supply management has not been responsible for the dumping problem. We are not part of the problem. We should not be the sacrificial lambs in the solution.

The minister said earlier that in fact some of the reasons for these changes had to do with dumping. I did not talk about dumping. The minister himself defended the potential eventuality of tariffication by suggesting that something had to be done because of the unleashing of forces of the international marketplace.

The minister should be aware that quite clearly, supply management in Canada has been a domestic solution to a domestic supply issue. It has not touched, nor has it dumped, nor has it impeded, nor has it infringed, nor has it in any way abutted on to either the American or European agricultural problems.

We have been dragged in and fingered as part of the solution. The minister's officials said yesterday quite clearly that the Europeans are prepared to come and support us if we can get the Americans onside.

I want the minister to go back to his Prime Minister and tell him: "Mr. Prime Minister, your strategy up to last January has failed and failed miserably. Your trip to Kennebunkport yielded nothing. Now is the time to rethink your strategy and we want to know specifically what you are going to do—"

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. After considering the subamendment moved by the hon. member for Algoma, the Chair is now ready to rule on the matter. This motion is inadmissible because it brings up a new concept foreign to the amendment.

In other words, the subamendment exceeds the scope of the amendment and is therefore inadmissible. I may refer hon. members to Beauchesne's, sixth edition, citation 580 (1).

> (1) The purpose of a sub-amendment (an amendment to an amendment) is to alter the amendment. It should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment. If it is intended to bring up matters foreign to the amendment, the Member should wait until the amendment is disposed of and move a new amendment.

• (1640)

[*English*]

Mr. McKnight: Mr. Speaker, on a point of order, it is my understanding that members in this Chamber could come to an agreement as to what would be in order. I think that is well within the rights.

Mr. Foster: Mr. Speaker, I would rather not get into a long discussion but clearly the main amendment and subamendment deal with article XI of the GATT negotiations. This is simply proposing ways in which article XI may be amended.

Because you have suggested that it may be out of order, since the minister has already indicated his support, I would like to ask for the unanimous consent of the House as proposed.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Of course, as hon. members know, I already ruled this subamendment out of order, but in the final analysis, the House is the master of its proceedings. If there is unanimous consent to agree to discuss this subamendment, despite the rules governing this House, the Chair will willingly comply, provided there is unanimous consent.

So I ask the question.

[*English*]

Is there unanimous consent to have the amendment to the amendment?

Some hon. members: Agreed.

[*Translation*]

The Acting Speaker (Mr. DeBlois): So the debate will continue on the main motion, the amendment and the subamendment. The hon. member for Gatineau—La Lièvre has seven minutes.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I consider myself privileged to have the opportunity to support the subamendment presented by my colleague from Algoma, who is very knowledgeable about agriculture. For many years, he has been a great defender of farmers across Canada.

Today, as my colleague from Algoma said, we might be having one of the most important debates of the year, given the consequences of the GATT negotiations in Geneva.

Mr. Speaker, I heard the Minister of Agriculture explain the process of the GATT agreements and I would especially like to say not only to members here in the House but to many people listening that we must not forget that there is a great deal of history behind our system of supply management. Like many here, I remember a time—and I am speaking especially about the farmers I knew on dairy farms in Quebec—before the system of supply management when it was very difficult for our farmers to pull through.

We know that and I am convinced that many here certainly have relatives or close acquaintances who live on the land or are descended from people who did. They must be aware of the sacrifices our farmers have made in the past, seven days a week and 52 weeks a year. They made tremendous sacrifices to keep the family farm, and it was difficult to interest the younger generation in farming, not only because of the hard work involved but also because the rewards were often few and far between.

About 20 years ago, after much urging and lengthy negotiations, common sense finally prevailed. People realized it was time we had a system that would see to our farmers' basic needs by guaranteeing a minimum base price for their products, to ensure they run an efficient operation, and I must say most of them do. In Canada during the past 20 years, we have built a supply management system that is sound and people-oriented, a system that works within the GATT rules. This country has put a lot of money and effort into ensuring that our farmers receive a minimum price for their products, while at the same time providing a system that is fair to all 10 provinces. That was a major achievement.

Many countries see us as a model in this respect. The system was unique in that it did not cause a surplus on the international market. There was no so-called dumping by this country. It was a system that did not upset the applecart and guaranteed domestic supplies, which is extremely important. For years, security has been synonymous with defence and arms, but I think we can say, Mr. Speaker, considering the events of recent years, that agricultural self-sufficiency is also important, and I would even say it is more so than national defence.

We have seen a system develop that has served us well, both the country as a whole and the farm community. And now, after 20 years, for reasons we do not readily understand, this whole system is being challenged. Why? We are not too sure. So we send representatives to defend the system and to explain the benefits of our supply management system.

I find it hard to understand why the government has been unable to convince our partners at the GATT talks that our system is a viable one. I wonder about a lot of things, Mr. Speaker. I see the Minister of State for Agriculture here in the House, and I would like to ask him this: Do our two representatives who are negotiating for Canada have what it takes to defend this system? When I read documents from Geneva, I see that churches throughout the world, including the organization of Protestant and Catholic churches, have sent representatives to protest against the Dunkel report. Did we see this in the Canadian media? Did anyone mention this? There is a lot of opposition to the Dunkel formula, but nevertheless there are some countries, including the United States, that want to force on us a situation that world church leaders call a recipe for world-wide food shortages.

My point is that thanks to 20 years of hard work, the Canadian people and Canadian farmers, have set up a system unequalled in this world.

• (1650)

And I say, Mr. Speaker—and I am sure we can get the unanimous consent of this House for sending a clear resolution to all GATT participants—that Canada, that this country's representatives cannot approve the Dunkel report because it does not make sense and goes against the interests of all farmers across this country. We should not have to pay for other people's mistakes.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I listened very carefully to my hon. colleague from Gatineau—La Lièvre. Indeed, I believe we do agree on how important marketing boards are for Quebec and Canadian farm producers. For one thing, my colleague will certainly recognize that our current position is the position Canada stated in April 1990, and later made clearer and more detailed in the fall of 1990. My hon. colleague should recognize or realize that everyone is in agreement. I can understand his passionate plea. However, would he not agree that, as we speak, the Canadian provinces, including Quebec, the federal government, the producers' organizations, the processors' organizations, the Canadian agrifood industry from coast to coast, are all behind this position? Does he not think it would be in the best interests of our Quebec and Canadian farmers that we stand united on this issue and back the Government of Canada and its negotiators in Geneva? Will he not agree with me that the Canadian position has obviously not changed and has the full support of the Canadian farmers?

Mr. Assad: Mr. Speaker, as my colleague said, the minister seems to be saying the right things, but the actions do not match the words. Like the minister, I say that with all the support we have, farmers and organizations in all the provinces agree to support supply management, but that poses a problem. I find that it is perhaps the last effort, but our partners in GATT will have to be unanimous and be firmly convinced that it is a necessity for Canada, such a northerly country, where farming conditions are exceptional, not to accept less than what exists. They must also understand that we are at a point of no return, if you will, with our agricultural system and we cannot accept a change. I am convinced that they cannot neglect the resolve of all 10 provinces and members of this House which we can show all our partners.

The Acting Speaker (Mr. DeBlois): Resuming debate. I would like the first speaker for the New Democratic Party to tell us how his party intends to proceed: will they take 20 minutes each or share their time? The hon. member for Chambly.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, we will make the following clarification. I intend to speak for 10 minutes, with a five-minute question period, and then I think my colleague will share the rest of the time with me.

Mr. Speaker, I am very pleased to take part in this debate on my colleague's motion regarding GATT.

The first thing that comes to my mind when we talk about GATT and the negotiations of our federal government is a Quebec saying to the effect that they talk a lot but do little. I think that pretty well summarizes our fear about how the government negotiates.

Mr. Speaker, since September 1986, the 108 member countries of GATT have been involved in a new round of more ambitious negotiations to liberalize international trade throughout the world. We were rather surprised to read in the press that the Dunkel report provided for a tariff system to replace our supply management system. It was a surprise, but we were very worried to find that out, because remember that the Dunkel report, which takes its name from the director-general of GATT, is meant to summarize the state of negotiations and serve as a basis for settling this new round of negotiations called the Uruguay round.

To properly understand the issues, Mr. Speaker, you must see how the Dunkel report deals with the question of subsidies, which we are used to as a part of supply management, especially in Quebec, because for a long time we have spent, I believe, almost $800 million a year on all sorts of subsidies for our farm sector.

The Dunkel report then affects some elements that could really put Quebec in a tight spot, and I will give you examples. It provides sanctions for equity investment such as the Société générale de financement, the Caisse de dépôt et de placement, the Société de développement industriel, Soquip, and so on, have. That means that the action taken by our provincial government can be subject to sanctions. I know that the federal government talks about theoretical sanctions. I remember that the last time we heard about "theoretical sanctions" was during the free trade negotiations. Unfortunately these theoretical sanctions became real sanctions—talk to the people at Norsk Hydro or to the people in British Columbia about softwood lumber.

The loan guarantee programs in Quebec, which are another form of intervention often used in our province, can also be subject to sanctions. Sanctions might also be taken against tax incentives and tax credits in Quebec, according to the Dunkel report. I am sure that the minister of consumer affairs is aware that this includes the stock savings plan as well as flowthrough shares, the occupational training tax credit and even the tax credit used to launch the solidarity fund.

I speak of these programs as activities that can be denounced and subject to sanctions in the Dunkel report because they are called specific subsidies. When they are specific, they can be denounced by any other country that signed the agreement. Unfortunately this could be disastrous for Quebec, not only because Quebec is different in that we have a variety of programs to support our agricultural industry, and also for consumers because if all these sanctions are applied, with free trade, foreign companies and the whole foreign agriculture industry will surely find the field quite open for unfair but legal competition.

• (1700)

Mr. Speaker, my colleague's motion is extremely important and I think it is quite clear, unlike the government's negotiations at GATT. We are very clear in our motion, which reads as follows: "That this House calls on the government to support unequivocally any final GATT accord that—" and this is very simple, since it does at least two things— "provides for the maintenance of viable and effective management programs as an essential element of Canadian agricultural policy". Second, Mr. Speaker, we ask the government to support unequivocally any final GATT accord that: "ensures the ability of Canada, through a clarified article XI, to control effectively imports of milk, eggs, hatching eggs, chicken and turkey, and products containing a majority of supply managed products".

Mr. Speaker, I agree that Quebec's farm sector is not the only one affected by these problems. They affect Canada as a whole, including city dwellers as customers, and people in rural areas as producers. As a consumer advocate, I have tried in recent weeks to find out whether our production system makes food and food products more expensive than they would be in the United States. I have often heard people say this, but today, a Nova Scotia poultry producer told me that in 1982, they got $1.16 for every chicken; 10 years later, in 1992, they are still getting $1.16 for every chicken.

I do not think we are paying too much for our food, but I wonder whether food is cheaper in the United States. Of course it is cheaper. However, I left the United States because I did not want to belong to a society where the individual does not count, and where the traditional farm does not count, where instead people are intent on vertical integration, big business, so-called agribusiness. Mr. Speaker, after giving up the United States to come to Canada and become a Canadian citizen, I would hate to become, oh, irony of ironies, an American living in Canada, after all those 23 years. This is just too much

I have a stake in this debate because I experienced what is happening to the United States, and I experienced what is happening to Canada, and frankly, there is no point in living like Americans and having the kind of businesses Americans have. We have something better here. Perhaps members on the other side of the House do not accept this because it isn't enough. Mr. Speaker, I can tell you that we have a standard of living, social security, medicare and all kinds of programs that make our country different from the United States. I think that one of the reasons why the current GATT talks have caused so much dissatisfaction and even outrage across Canada is that Canadians realize they are about to lose what they had gained.

Mr. Speaker, I would like to say in conclusion that I hope this government will not be "all talk and no action".

The Acting Speaker (Mr. DeBlois): We are now in the five-minute question and comment period. The hon. Minister of State for Agriculture.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I listened to carefully to my hon. colleague whose comments focused on several elements of the Canadian agricultural policy. He made some interesting points and I must say that I share his view completely, especially concerning the difference between the Canadian and American lifestyles. I think that we can only be in total agreement on that. I will tell him in jest, Mr. Speaker, that he should discuss the use of the expression "all talk, no action" with his colleague, the premier of Ontario. It might be of help to Mr. Rae in planning his policies for the future.

I would like to come back to a point the hon. member barely addressed and that is international trade. He described the free trade agreement with the United States as a major catastrophe. As my hon. colleague may be aware, statistics are available for the first two years after it was implemented and they show that, in the agrifood industry alone, Canadian exports to the States have increased by 30 per cent. In spite of his party's doom and gloom predictions, free trade has contributed to bringing our trade balance with the United States down from $700 million to $300 million within two years. That is not bad. I just wanted to quote these figures to my hon. colleague for future reference.

I would like him to comment on this and to know if he still thinks, as I do, that the Canadian position at GATT—which he seems familiar with—accurately reflects the feelings of the Canadian farmers, provinces and government, in other words, if you and I fully support this position and that we have no reason to tear each other to shreds. Do we agree on that?

Mr. Edmonston: Mr. Speaker, I am always impressed by the statements made by this government, because those are really statements with which nobody can disagree. However, it is not with your words—

Mr. Blais: I have figures here.

Mr. Edmonston: I will get to those figures later, but I first want to talk about your words. Nobody can disagree with the government because it says things precisely so as to get the greatest possible approval from people. But we are somewhat concerned, and we do not make this up since this feeling prevails everywhere in Canada and in every farming sector, and the minister is well aware of that. The problem is that in these negotiations actions do not follow words, which is to say that you intend to say one thing but do another one.

The minister is asking me if I think he is a liar. Not at all. I think he is mistaken because I find that people in general believe the minister talks a lot but does little. That's all. I did not say that he was a "liar".

I want to say something important about figures. It is true that the agrifood industry, that is the whole agricultural sector in Canada, experienced an increase in its sales to the United States. That is a fact. But I can tell you today that in Quebec people who were so much in favour of free trade now realize that it was not in their best interest, and the majority of them are now opposed to free trade. That is a complete reversal of opinion. In fact, whether it is with Mexico or any other country, Quebecers are fed up of hearing the words "free trade". The only thing they know is that this free trade has created unemployment, even when the government talked about implementing a manpower training program, that is some kind of retraining to help workers who lost their jobs get some training for other positions. However, nothing happened.

• (1710)

So you better not talk about free trade in Quebec now because unlike in 1988, the majority of people no longer support free trade. I would like to say another thing to the minister that answered before—

The Acting Speaker (Mr. DeBlois): Order. The five minute period is up.

[*English*]

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, until I heard the minister speak earlier this afternoon I retained some small degree of hope that perhaps the pessimists were wrong and Canada really was going to maintain its supply management system. I say "Canada", not the farmers but Canada itself. However, after listening to the minister, I fear that all is lost from that point of view.

The free trade agreement has been mentioned. When we were discussing it some three years ago we were reassured, guaranteed by the government, that the marketing board system would be maintained under the free trade agreement. It lasted for just over two years. Now we know, from what the minister said today, that he too has abandoned any hope of maintaining our system of orderly marketing.

What of the minister's choice of language? He has confidence in the system. He could only have been referring to supply management. He is willing to defend it. Supply management is not something that needs defending. Perhaps it should be sold but certainly not defended as though it were something that was lacking in some ways, as though it were something wrong. It is the best system of marketing in the whole world. Canada has been a world leader in developing its system of supply management. Supply management means exactly what the words say.

The minister said that we may have to adjust some plans that interfere with world markets, but supply management does not. Supply management could, but it does not when it is working properly. It works properly in Canada and the minister knows it. In saying he is willing to defend it, he is saying that he does not really believe in it strongly enough to go out there and sell it, to tell the rest of the world that Canada, the United States notwithstanding, is determined to maintain its system of supply management and orderly marketing.

Supply management means exactly what the words say: we manage the amount of supply. We make sure there are just enough of the various commodities under supply management to ensure that the home market is supplied. As I said, we could adjust it upward to supply an export market if we wanted to, if there were a demand, if the world needed it somewhere, if we had an agreement with some country. We could do that. It is that flexible and can react very quickly.

With our system of supply management we are able to maintain the quality. The quality of Canadian food is not surpassed anywhere in the world. We are able to reduce the cost of supplying this food. One of the speakers said earlier that the cost of food to Canadians is the second lowest in the world. That is in large measure due to our supply management system.

We do not have surpluses that we have to dump somewhere. Each commodity looks after its own production so that the amount required for fresh consumption, whether it be eggs, milk, broilers or turkeys, is just enough to supply the fresh market plus enough of a margin, which is processed by the appropriate marketing board, so that there is an ample supply of top quality food available for Canadians. We do not export any of those goods to any degree unless there is a market that has to be filled. We can react very quickly to any shortfall anywhere else. We can increase the production of any of those goods.

The price the producers receive is not outrageous. I was an egg producer during the 1950s, about 40 years ago. The cost of producing those eggs has increased fifteenfold since I was an egg producer. The cost of all the feed, the cost of everything, apart from the labour put in by the proprietor, has increased fifteenfold. The number of birds that a person looks after has increased fifteenfold. The price of the product to the consumer has increased 15 per cent. That is the case with eggs and it is similar for all the other commodities which are supply managed.

It is not possible to do it with everything. It is very difficult to do with it tree fruit because it perhaps could take five years for a tree to come into production. It is very difficult to do it with grain because the amount of production is so unpredictable, and so is the world demand. We just do not know.

We should not be tinkering with our system of supply management. We should do everything we can to maintain it. The minister did not talk too much about the other agricultural products. Of course the one on the table is grain and oilseeds, but supply management does not work there.

Even there it is not a case of support. He talked about supporting, but we are not supporting grain farmers. If we were going to support grain farmers, the best thing we could do for them would be to let them go broke and get off the farm.

Most of them are certainly not doing any more than barely making a living. We are not giving them prices that will enable them to make a good living. We are not giving them prices that will enable them to buy equipment right now. They do not even buy enough fertilizer.

They are not able to farm the way they know they could if conditions were right. Those are not support prices. We are not supporting the farmers. We are simply paying the farmers to produce wheat because we need to export it.

Why do we need to export it? We are paying some $27 billion a year in interest charges to foreigners for money they have lent us. We have to give them something. Loonies will not do, so we give them wheat. We give them oilseeds. They are the second largest source of export for Canada.

We are not looking after the farmers. We are not doing it because we like the farmers. We are doing it because we need those exports.

Our system does not need defending. We should be selling it. There are producers of everything all over the world who would like to get into our system of managing the supply for their own needs, of orderly marketing so producers can make a respectable living.

Even then they do not have control of the price. They are accused of holding up the prices, of holding people to ransom. In most of the marketing boards that have any authority to set prices there are people involved in the mechanism of setting prices who have nothing to do with production.

They are there to provide consumer input on prices. I am not sure about the other provinces but I know that, for example, in B.C. the chairman of the milk board for the longest time was a chartered accountant who knew nothing at all about producing milk. He certainly knew how to calculate.

The price of milk the producer received was calculated very closely so that the producer got the cost of production and enough margin to cover the rest of his expenses.

That is the way it is with the other boards. There are people involved in the price setting mechanism who know the costs. They get all the information. They know if there is any need for the price to change one way or the other, up or down. They set the prices very carefully. The farmers still have to do all the gambling on what will happen with respect to weather, diseases and so on.

They are totally at the mercy of diseases from time to time that can wreck people individually, and yet not the industry. Production is country-wide, from Newfoundland to Prince Edward Island to British Columbia.

Every province has some degree of supply management. Certainly the farmers in the province from which I come, British Columbia, depend to a great extent on supply management to make it possible for them to make a living, to make it possible for them to produce exactly the amount of milk, eggs, broiler hatching eggs, broilers or turkeys required by the market in that province.

We have never heard of any embarrassing surpluses. We have never heard of any shortages and we have never heard of anybody paying more than a fair price.

I am not saying that it cannot be bought cheaper somewhere else, but farmers are getting the cost of production and enough of a margin for it to be reasonable. That is fair to them and it is fair to the consumer.

We should not be defending our system of orderly marketing, our system of marketing boards. We should be out there making it possible for the farmers in other countries to learn from our experience and adopt similar systems so that they will be treated fairly and consumers in their countries will be treated fairly.

• (1720)

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I was interested in my friend's comments with respect to the sale and the selling of marketing boards. He knows as a member from British Columbia that over the past two years, at any rate, the tree fruit industry in the Okanagan Valley in British Columbia in particular but throughout the Niagara Peninsula and the Annapolis Valley in Nova Scotia has been pushing for an apple marketing board. It has to some extent agreed that is the way apples should be marketed as the other system has worked fairly well, as he has pointed out, in the sale of eggs, broilers, chickens, turkeys et cetera.

I am wondering whether he would like to comment for the benefit of the tree fruit farmers of Canada. With his experience as a former Minister of Agriculture in the province of British Columbia, and with his vast experience in the marketing system, does he see the marketing board system as he knows it as a system for future marketers and producers of apples? Does he say that such a policy would assist the farmers in my region in the Okanagan and the Similkameen valleys to continue viable production of apples at a reasonable price?

Mr. Stupich: I thank the member for the question. I watched the development and the interest being shown by tree fruit producers for some sort of a marketing commission. I want to offer them every encouragement to take control of their own destiny to the extent they are able to.

One of the features of marketing boards generally is that they will not interfere in markets of other countries. Of course we know that a lot of the tree fruit product is exported in the case of British Columbia to specialty markets.

I would encourage them. The farmers then would be selling their fruit on the fresh fruit market which is where the bulk of the return comes from. The farmers, as with every other marketing board, accept the responsibility for taking off the market the surplus that is then processed, for example, apples to apple juice, apple pie filling, whatever.

In any case the farmers pay for the cost of that. They are getting a lesser return for the product. They own the processing plants that process their product whether it is apples, eggs or poultry meat.

I have watched what is happening. I encourage them, but the inference I took from what the minister said today was that if they were able to accomplish it, by the time they got it working the government would have pulled the rug out from under their feet and would have sold out to the U.S.A.

[*Translation*]

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I am pleased to take part in this debate today. One thing this debate is doing, and especially the discussions of the past few weeks, is to make us realize that the Canadian agrifood industry is facing major changes not only in Canada but all over the world.

To use a common expression, the agrifood industry is once again at the crossroads. More than ever, it is critical to follow the development of consumer markets. Under pressure from all sides, technologies are developing incredibly fast. Eating habits are also changing, becoming more varied. Companies develop new business strategies with a view to positioning themselves in the context of market globalization. That is to say that the stakes are high and extend far beyond our provincial borders, even our national borders. Of course, our agrifood industry is affected by all this. It has no choice but to adjust to these changes, and I think most of the people in this industry are willing to take up this challenge.

In fact farmers, processors and food retailers to name but a few are ready to do whatever it takes. Since their production is their livelihood, they are sensitive to market fluctuations. They know that if they make the right decisions, they stand to gain a great deal.

There are driving forces within this industry striving to innovate and to be competitive. As I mentioned earlier, in spite of the doom and gloom scenario predicted in 1998 of what might result from the free trade deal with the United States, here we are with major increases in our exports, i.e. between 25 and 30 per cent, for the first two years. In the dairy and poultry industries as well our exports have increased, which means that things are never as bad as we are led to believe.

Mr. Speaker, one thing is sure and that is that our agrifood industry has constantly improved. Many of the agricultural products we export compare favourably with any other in the world. It would be even more so if international trade rules applied equally to every country. That is why we are working so hard to make things move at GATT. When I say we, I mean members of the cabinet, but also our negotiators, people who support us, and I should add people in the provinces, in the food industry, in agriculture, and even, to some extent, a large number of members of this House who, despite the fact that speeches are sometimes partisan, seem nevertheless to support the Canadian position, which has the advantage of being supported by everybody.

Moreover, our message is clear. It is clear to us, it is clear to other members of GATT and it is mainly clear to the stakeholders in the Canadian agrifood industry. Need we repeat a thousand times, Mr. Speaker, that our position reflects in every detail what came out of the

consultations we held with the industry? It is not the position of the Canadian government we are defending at GATT, but the position of the Canadian agrifood industry. It is our producers who came up with this historic compromise, whether it be in the grain industry, in the area of minimum access to market, in the supply management sectors for milk and poultry. I repeat, this is not just the position of the Canadian government, of cabinet ministers, of members of this House; this is the position of farmers. This is the position of provincial governments. Naturally this is the position our government endorsed, and the position I am proud to defend.

Mr. Speaker, the Canadian system of supply management was set up according to GATT rules. This system today, just like yesterday, is a success. Many countries came here to look at it as a possible model for them. This a marketing model of which Canadians are justly proud. With this system our producers receive a fair reward for their labour. For their part, processors and consumers can expect a regular and constant supply of quality products at reasonable prices.

Clearly, just like in any other industries not under supply management, it is necessary to make periodic adjustments to follow changes in the marketplace. I believe people in the industry are willing to adapt, to co-operate with us in government, to make the system of supply management more responsive to the marketplace. This is what we did, Mr. Speaker, when we reviewed agricultural programs.

As I just said, the supply management system is based on GATT rules. One of the contentious issues at the talks in Geneva concerns article XI, which provides for the control of imports for supply management.

Mr. Speaker, we have noticed in recent years—and it must be mentioned—that this article XI on which we relied heavily, particularly for our supply management system, had a deficiency which may not have been foreseen 40 years ago, when the GATT was signed. However, if you read the report of the GATT panel on yogurt and ice cream, you have no choice but to acknowledge that article XI, in its present form, does not adequately protect products marketed under supply management systems, particularly processed products. And since we find ourselves with an agricultural economy in which new processed and over-processed products now represent a greater share of the market, those products must be protected through a supply management system; otherwise it will become increasingly difficult to maintain the system.

• (1730)

Mr. Speaker, that is why, in response to a request from producers, we drafted a new article XI that accurately reflects their needs and that should enable us to protect our Canadian system.

It is somewhat insulting—that is how I feel, Mr. Speaker—that other countries want us to give up that article or that protection so that they can change their own system, which is based on exceptions, whereas ours is based on written rules that seemed clear at the time and that enabled us to have a system. It is not right to penalize Canadian farmers because other countries want to go back to rules that are more in line with those of international trade.

I do hope that it will be possible to make our partners, the other members of the international community, understand Canada's position. We are not asking for favours. We are a trading country that always abided by the rules of international trade. So have the provinces, the producers and the processors. I believe that this is the way to behave.

The Canadian government refuses to be forced, after 20 years, to change a system that works. Canada does not unload food surpluses on the other members of the international community. Canada disciplined itself; it reduced its own domestic supplies and limited its activities to its own market. In exchange, it asked for control at the border. What Canada asks again today is the right to be able to maintain control over access to its market, based on Canadians' capacity. Mr. Speaker, Canada is asking for justice.

I ask all my colleagues in this House to support Canada's position, as you have done, and I thank most of the members who rose to indicate their support. The government is not alone in this. We must transcend the party lines, we must go beyond mere partisanship, in order to support Canadian producers. For once, we have the ability to transcend the political discussions, Mr. Speaker, and to work together—

The Prime Minister announced today that he will meet farm leaders early next week. Together we will develop our strategy. Together we have defined Canada's position, and our government is open to all suggestions regarding its strategy. We will probably have to go back to Europe to meet some people who might be able to help.

Mr. Speaker, as long as the agreement is not signed by all 108 member countries, we will fight to make sure that what we want in order to preserve our marketing agencies will find its way into the final report Mr. Dunkel will be presenting. That is the goal for which we have

been working so hard and so relentlessly for almost two years.

True, we have not succeeded yet. We are honest enough to admit it. We have not succeeded yet. The fight is fierce, but that is exactly why, Mr. Speaker, we must work side by side. We do not have any other choice, but only in a great country like Canada is such historical consensus possible. I am sure we will be successful and that will make Canadians, each and every one of us, very proud.

[*English*]

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I want to say to the Minister of State for Agriculture that farmers are concerned. They are concerned for their futures, they are concerned for their livelihoods. I know he understands that. I know he is aware of the tragic situation that will occur if the Dunkel proposals go forward.

I have a few questions for him dealing specifically with the proposals. I am wondering if he can assure farmers that if Dunkel is accepted and if the government fails to live up to its commitment to retain supply management, his government will be prepared to provide programs to farmers in order for them to survive. I am sure he is aware that if the Dunkel proposals come forward that there will not be a farm left in Canada in the next 10 years.

I am wondering if he can tell me what the Dunkel proposals would do to our safety net or our crop insurance. The minister and his officials said yesterday that they figured it would have no effect on them.

I am wondering if the minister can explain to us how this would be. I am wondering if he knows what new proposals the Prime Minister has taken. My hon. friend from Hamilton East said earlier the Prime Minister did go out and he did, supposedly, go around the world and he did go to the United States and ask President Bush if he could support us in this area. The minister knows that the Prime Minister failed because what we got was Dunkel. With Dunkel we will have no supply management left in Canada.

I ask the minister what he is doing or what else the Prime Minister is doing to help solidify support around the world for this. It is said we are going to need the support of 106 countries on this. We need one country's support right now and the minister knows that. We need the support of the United States.

I am wondering what specifically the Prime Minister is doing in Washington to get this support.

The minister is also responsible for consumer affairs. The minister knows that his department, or a department within the Ministry of Agriculture, gave the Consumers Association money to do a study on supply management. When they came out and criticized supply management in the papers and they condemned our system of marketing we heard nothing from the minister, the Prime Minister, the Deputy Prime Minister or the Minister of Agriculture.

It concerns us on this side when we hear this. We know what the ministers have been saying. They support supply management. However, they are not responding to these specific attacks on our system, especially those attacks from Canadian newspapers and from other groups within Canada that may not agree with us. The minister has been somewhat quiet.

You can see why it is not only us but a lot of farmers throughout Canada who are somewhat sceptical of whether or not this government or these ministers are really behind supply management.

Mr. Blais: My hon. colleague has raised a lot of questions. I will try to address a few of them.

I have not heard much from the member about this study from the Consumers Association of Canada. I stood up many times regarding the fact that from the consumer's point of view the increase in the price of dairy and poultry products was below the price index over a period of four or five years. I mentioned that many times. Maybe I should send the member a few of my speeches. Maybe he got them but I could make an exception and send him other copies of my speeches.

We should get back to the Dunkel report he mentioned. Canadians expressed concern about the Dunkel report as far as the agriculture side was concerned. We expressed concern the day we got the document, or maybe a couple of days after. The Americans expressed concern. The Europeans expressed concern as well. We have only one signature on the Dunkel paper right now and it is Mr. Dunkel's signature.

• (1740)

The Acting Speaker (Mr. Paproski): The hon. member's time has expired.

[*Translation*]

Mr. Gilles Bernier (Beauce): Mr. Speaker, I am very happy to have this opportunity to deal with agriculture, and particularly the present GATT negotiations. Since I have been elected to this House to represent the constituency of Beauce, in Quebec, I have worked hard and taken a keen interest in agriculture, as the representative of a semi-rural semi-urban county which qualifies as the kingdom of small and medium sized businesses. But beside these farm manufacturing firms, we have at least 3,000 producers of pork, eggs, poultry, particularly dairy products, and so on.

As the years went by, I have learned here in Parliament and in the various committees, that our government has worked very hard to support the Canadian and Quebec agriculture. Today, we hear prophets of doom say that in the present GATT negotiations, which have lasted more than a year, this government has sold us down the river. I wonder where that information comes from, because the Government of Canada has always fiercely supported our farmers, whatever the type of farming they do and in whatever region of Canada they live.

Last Friday, Mr. Speaker, the federal and provincial ministers of agriculture have stated again their complete and unshakeable support of our government position which is to bring to a successful conclusion these GATT negotiations. And, when I speak about the provincial and federal ministers of agriculture, I include all the heads of the various producers' unions across the country.

Canada's position within the GATT negotiations, developed in co-operation with farmers' associations and the provinces, essentially strives for a clearer definition and a strengthening of article XI, a substantial reduction of trade distorting grants and an easier access to international markets.

I must add that the Canadian position has never changed on that matter. In representing the Beauce region farmers, I have often stressed the importance of protecting the supply management system essential to milk, egg and poultry producers. I have stressed, for my colleagues and for the government, and my comments were well received and accepted, the fact that we recognize the absolute necessity of working closely with the agrifood industry if Canada's well-balanced position is to progress. Other members from regions where there is an active farming community have said the same. I was assured that government would do its utmost till the end of the negotiations to have Canada's position accepted and I myself have seen that it has indeed made great efforts, particularly during this past year.

Today, all the premiers have been made aware of this. Canada's Prime Minister has made an enormous contribution to the protection of agriculture—

An hon. member: Well done.

Mr. Bernier: It is indeed noteworthy and I am sure our three ministers responsible for agriculture would agree: the Minister of Agriculture, the minister specifically responsible for protecting the grain farmers and the minister protecting the farmers from Quebec.

There were negotiations; we know that the Prime Minister, contacted Mr. Kohl from Germany, Mr. Mitterrand from France and Mr. Bush from the United States on numerous occasions to make sure that our message be understood and not misunderstood.

The GATT negotiations are not over. We sincerely hope that the Canadian position will be recognized.

On January 13, not long ago, in Geneva, our negotiators reminded Mr. Dunkel of that. They also made him aware of our dissatisfaction concerning the recent agricultural proposals. What is important for the farmers from the Beauce area in Quebec is that we preserve the supply management systems and the other fundamental pillars of the Quebec agricultural policy, such as the crop insurance, the income stabilization insurance and the farm credit.

For many years, Mr. Speaker, the Beauce farmers and the Quebec farmers have endured bravely and have made sacrifices. It was not easy to work in the farm sector 25 years ago. I must tell you that you could not decently live on farming 25 years ago, I mean, in general.

But Quebec farmers organized themselves, they put in place some programs and systems of protection in order to improve their lot and also the quality of their products.

In the past, when you were a farmer, you could not live on farming alone. You had to have another occupation. For example, in my region, you could be a lumberman and do part-time farming because you could not live on farming alone. We became more sophisticated, we became professionals and I must tell you that by making sacrifices, we managed to put in place programs which, today, are copied or should be copied by many farmers in other countries.

With this system that we put in place, our farmers have now the right to get a fair income for their labour. On the other hand, processors and consumers can expect greater quality products and a permanent supply. And all that at a reasonable price.

So, with discipline, we were finally recognized as bussinessmen. We adopted systems and implemented programs which are interesting but expensive, expensive for all governments, federal or provincial, as well as for farmers. Thus, governments and producers paid the price. Up to now, our farmers have made too many sacrifices, their grievances cannot simply be ignored.

I want to tell you that the member for Beauce is well aware of the situation and so are his colleagues in the Quebec Conservative caucus, who show a remarkable interest to this issue. I do not need to remind you that their constant concern is to carry the message from Quebec farmers to strategic places. So the farm community can count on us.

I must say, Mr. Speaker, that some prophets of doom try to tell us that the governement stays put and has abandoned Canadian and Quebec farmers. That is not so. We can prove that our negotiators in Geneva are vigilant. Indeed, for the Quebec members of the Progressive Conservative Party, agriculture is a great cause. Even our members from regions like Montreal, for instance, or other large cities, which benefit from agriculture although there is no permanent and functional agricultural sector in these areas, since farms are located in the rural parts of Quebec, support us firmly and they also support our Prime Minister and his claims. You must know we will not neglect any action which would allow us to hope for better conditions.

As a matter of fact, the negotiations are hard and tedious, but I must tell you our negotiators are very well aware of our Canadian and Quebecer farmers' needs. In this respect, Mr. Speaker, I assure you the farmers can be confident they will have the entire support of the present government.

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have listened to the speech of the Minister of State for Agriculture and, just now, to the one of the hon. member for Beauce, but I can see that both avoid the real question which is not to determine if the position of the farmers and provinces is the right one. That position is generally supported by this House, as we will see tonight at the time of the vote. The real question is what the government has done about that position. What are the results of the GATT ongoing negotiations? What has the government done?

• (1750)

Unfortunately, Mr. Speaker, what we find out now, two years after the beginning of the negotiations, is that this government has made only seven allies among 108 countries. That is what it is telling us just now, only a few weeks before the end of those negotiations. Has the government really done its homework? That is the question. Has it got tangible results to show us? That is the real question.

I heard the Minister of State say that the Prime Minister talked to President Bush. The Prime Minister talked to everybody. I do not want to know if he talked to them, I want to know if he influenced them. Did he call them to say hello? Not only did he talk to them, but did he make himself clear? That is the fundamental question. Unfortunately, according to the results reported by the government, it seems everyone the Prime Minister called hung up on him. The truth is, the Prime Minister has failed to find a single ally among all these people in spite of all his calls.

When I look at the members across the way, they have all committed themselves strongly to the farmers. They are the ones who committed themselves to strenghthening article XI. Did they deliver the goods? That is the real question. That is the question farmers are asking.

The Minister of State for Agriculture said he was ready to put his seat on the line. We will see in these coming weeks whether he has that kind of courage and whether he brings back the substantial results he promised.

What do experts say? UPA President Jacques Proulx who knows a lot about this whole issue said last week that this government is but a bunch of fumblers both politically and in negotiations.

Mr. Picotte, the Minister of Agriculture in Quebec, is beginning to wonder about the results our federal negotiators will get. Do you know what our greatest fear is in Quebec, Mr. Speaker? That our farmers will be but a bargaining chip in GATT negotiations. We are afraid that our farmers will be sacrificed for the sake of a GATT agreement.

Here is the question I would like to ask of the hon. member for Beauce. If we do not win that fight for supply management, will Canada sign the GATT agreement nonetheless?

Mr. Bernier: Mr. Speaker, this is not the first time we have heard the hon. member for Shefford get carried away and take a position that is extremely partisan, considering the subject is an international one. My point is that it is extremely important for all members of this House, irrespective of their political allegiance, to support the government, and I think we have the support of the vast majority of parliamentarians for our current negotiations at GATT.

When we talk about getting the support of 108 countries, we must not forget that for many of these countries, marketing boards are an entirely novel and revolutionary concept. They do not understand what it means. Take Mr. Lacombe, president of France's farm producers, which is more or less what Mr. Proulx is in Quebec. When someone mentioned GATT article X1 and protecting marketing boards to Mr. Lacombe, he did not even know what we were talking about. He just was not interested. He did not have the same problems with GATT that we have here in Canada.

So the important thing here is to establish a solid common front in this country. We are supported by all provincial premiers and agriculture ministers. We are supported by all presidents and executives of the UPA in Quebec, for instance, and all other farm associations in Canada.

These people realize that Canada has done a great deal to convince all those delegates from 108 countries. We have made several gains. A number of people now encourage and support us. More remains to be done, and the negotiations are continuing. It isn't over until it's over, so we have to be very careful.

Several days from now, the Prime Minister of Canada will meet the country's farm leaders and once again submit Canada's position and ask for their support. We ask the members of the Bloc Quebecois, who claim to represent the interests of Quebecers, to support our position with enthusiasm, because our position—

Mr. Lapierre: No problem.

Mr. Bernier: No problem. Thank you. We have the Bloc Quebecois' support for the vote. Thank you.

[*English*]

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, to understand the uncertainty in the minds of the dairy and poultry producers today in Canada I have to reflect back to the minister's statement of September 18, page 2312 of *Hansard*, when he said: "The policy of this government is that article XI should be further clarified and strengthened. That position has not changed and will not change until the government says it will change".

It left the door open. Then, on page 6369 of *Hansard*, a plan is referred to by the Prime Minister. He said that the Tories are now working on a plan to offer better protection than the present formula.

In looking at these statements it is not much wonder that the dairy and poultry farmers of Canada are fearful of what lies ahead. They are fearful that their system, which is the best in the world and has not contributed to world surpluses, will be traded away in secret, behind closed doors.

Of course, we heard the Minister for International Trade a year ago. A year ago last October he chastised the Minister of Agriculture in this House for giving the farmers such huge subsidies: $8.8 billion worth of subsidies.

Of that, $2.2 billion went to dairy farmers. That was a concocted figure. The actual figure was $267 billion to the industrial milk producers of Canada. The fluid milk producers got nothing. The difference was the difference in price between what Canada's dairy farmers received and what the U.S. farmers received. They call that a "subsidy".

Look at the difference between the industry in Canada, a healthy, vibrant industry that supplies the Canadian consumer with ample quantities of excellent products at reasonable prices, and the system of utter chaos in the United States, where literally thousands upon thousands of dairy farmers are being forced out of business.

I was very upset when I saw a newspaper headline in today's *The Ottawa Citizen* quoting a statement by David Simpson, executive director of the Canadian Consumers' Association and the Consumer's Group, that he: "foresees lower prices under proposed GATT rules".

Another headline in *The Montreal Gazette* on February 11 said: "Dairy industry mooches off Canadians who are stuck buying expensive milk". They claim in those articles that the average dairy farmer in Canada, of whom there are 38,000 in fact, is getting $15,000 in subsidies each.

That is absolutely wrong. It is absolutely wrong. Not once have I heard the Minister of Agriculture or the Minister of Consumer and Corporate Affairs get up and correct the record. Rather they hand out another $790,000 to the Canadian Consumers' Association to attack the best marketing systems in the world that have served us so well.

I have to ask the minister why he is not taking the lead to correct these erroneous statements. Why does he not defend his producers at home here in Canada? Is he using the same laid back tactics in defence of our marketing board systems at GATT?

I wish to point out to the minister that we did a study in my office last summer. We called it "Compare the Share" and it showed where the largest increases in price to the consumer took place.

During the last 10 years 2 per cent milk increased 19 cents a litre at the farm gate but 73 cents to the consumer, an increase of 97 per cent; cheese showed a very moderate increase to the producer and the manufacturer, but at the retail level an increase of 86 per cent. There was a 29 per cent increase to the chicken producer and 87 per cent to the consumer. This is almost double the rate of inflation and this government and the Bank of Canada jack up interest rates to control inflation, letting this go by. Yet our Canadian farmers get a return on capital invested that is about one-half of the five year average return of capital invested in the food distribution sector. How do you justify this?

• (1800)

I am going to give the minister a copy of that study and, hopefully, he will come to the defence of our Canadian farmers here at home, set the record straight and remind Canadian consumers and the Canadian people that they have the second lowest food costs of any nation in the world. In fact, only the United States has lower prices, and only slightly lower at that.

Let me quote from an editorial just this week in the *Thumb Farm News* of Imlay City, Michigan. The editor, a former employee of the USDA, said: "What is frightening for the United States consumers is that we are on the threshold of food shortages in the United States". Is that the system we are going to adopt if we move toward tariffication?

Canadian consumers through our planned marketing systems have ample supplies of high quality food at reasonable prices. We have the best system in the world. We must maintain it. Tariffication simply will not work.

These systems were established under legislation passed in this House and in provincial legislatures across this land. What right has this government to trade away these systems established under a democratic system of government, behind closed doors, in secret negotiations in the interests of the transnational trading corporations.

On February 21, thousands of farmers are coming to this city due to the uncertainty created by this government. I ask the minister to reflect for a moment on what happened in the Ottawa Valley at Crysler Farms in 1812. Do not sell these producers short. Their livelihoods and the livelihoods of their families are at stake because the government has pushed them to the brink.

Finally, Mr. Speaker, I have to indicate that I concur with the position of the prairie pools and my colleague from Thunder Bay on the continuance of the Crow benefit in its present form.

Mr. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, I would like to give the member from Lambton—Middlesex the chance to correct the statement he made during the speech in which he said that the dairy farmers of Canada get $267 billion. I know he meant million dollars. When he stands up, he will indeed correct that.

I want to ask the member if he would say that we, as a nation, should stay out of GATT if we are not able to get what we need for the supply managed industries in Canada.

Mr. Ferguson: Mr. Speaker, I thought I said $267 million. If I did say billion, it was an error and I acknowledge it.

The government held the position and that is the position it sold to producers that it was working to clarify and strengthen article XI. That is where I stand and that is what I am going to hold the government to.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I want to compliment my colleague from Lambton—Middlesex. I can say that during this debate, and I say this clearly and unequivocally, there is no better person on this side of the House to lead and give guidance to all of the members, not only on this side, but on the other side with his extreme knowledge about this very complicated problem, a problem that is so vital to our community.

I meet too with the milk producers in my riding, Rudy Butenhausen, Alan Struther, Bill Vanderweiss and Steve Matazuski. They are, to a person, in agreement with what we have just heard from our colleague. Needless to say, I support that position wholeheartedly.

I want to ask our previous speaker what his interpretation is of the motion that is on the floor with respect to the Crow benefit or the western grain transportation subsidy in its present form. Does he think that this, in its present form, means just the amount of money or a change in the plan?

Mr. Ferguson: Mr. Speaker, I certainly concur with the position of the prairie pools that the benefit should continue in its present form. What else? I think we have to go further. I am sure the member from Thunder Bay will agree with me that the government should seriously consider wiping off the debt accumulated by Canadian seaway. We are competing directly against the Mississippi waterway that is maintained by the U.S. Department of Defence, as it maintains part of its interstate highway systems and interstate railway systems. If we are going to compete with equal tariffs on the seaway, we should put it on an equal basis of that of the U.S. Mississippi waterway.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I am pleased to have the opportunity today to speak on this motion and the amendments that have been made to it dealing with the future of 40,000 farm businesses in Canada and a total of approximately 100,000 Canadian jobs because of the spin-offs through the communities.

My comments on the motion today come at a time when the future of an industry that I personally have grown up in and am still involved in is in jeopardy. We stand at the conclusion, hopefully a successful conclusion, to the GATT talks and the Uruguay round amendments to the GATT agreement.

Yesterday at the Standing Committee on Agriculture one of Canada's top negotiators stated that this GATT round holds much promise for agriculture. He went on to say how the round would provide predictability and certainty for Canadian farmers. What he failed to explain is why there is so much unpredictability in the agrifood industry today because of this round of talks.

I cannot express enough the effect that this uncertainty has had and is having on the rural community, on those 40,000 families, on their extended families and on the business community they are involved in. There are many families throughout this country today who do not know whether they will even be in business 12 months after this agreement takes place if this government is not successful in getting a strengthened and clarified article XI.

There is rationalization taking place in the processing industry. That has caused enough turmoil in our agricul-

tural community and in that sector of the Canadian economy. That all started with the free trade agreement with the United States. Now we have another agreement, that if we are not successful as a nation in getting what our Canadian farmers and our Canadian consumers need out of this, it will be further devastating to the agricultural community.

We stand to lose an industry that has been both a tremendous benefit not only to the producers but to Canadian consumers. If this government cannot deliver on what it has been telling the producers it believes in, what the producers believe in and what we in the opposition believe in, there will be very, very severe problems from that. I would go on to say that the sovereignty of food supply in Canada will, without doubt, be in question.

Last week and again this week a large number of farmers from a wide area of this part of Canada were here in Ottawa. They were here on Friday, they were here on Monday and they are going to come again. I am pleased to say that a goodly number of those people travelled over three hours on a bus to be here from my riding of Prince Edward—Hastings. They were here to express their anger, their concern, their frustration and their sadness with this government's inability to date to negotiate a fair agreement at the GATT and to secure a strengthened and clarified article XI.

Why are they that nervous? They know from the assessments they have done, for example, that if the proper agreement is not reached at GATT and is not amended in the proper way, within three years the estimates are that 86 per cent of our poultry and chicken producers will be out of business, that half of our egg producers will be out of business and Canadians will be dependent upon someone else other than Canadians for much of their staple food items, many of them.

The tragedy of this is that the Canadian dairy, egg and poultry producers should not even be involved in this. There are problems in the world in the trade situation and the agriculture situation today. We know that. The European Community and the United States are pouring in Niagaras of subsidies in trying to win markets away from Canada and from each other. These problems are not the result of the supply managed commodities, the dairy, egg and poultry producers in this country.

My question is, why are these individuals, these people, these businesses being asked to be part of a solution when they are not part of the problem? That is not fair, Mr. Speaker, and they realize that. They have done their jobs well for themselves, their communities, their bankers, Canadians, the consumer, and the rest of the world. They have not dumped surpluses on the rest of the world, so why should they be penalized for being good, proper and doing it well?

• (1810)

This whole negotiation is about international markets. Canada's supply management system was developed by the Liberal Party. We will stand by that system, we will stand by those producers and we will insist, as our amendment says, that the Prime Minister get more involved than he has to the present date in getting the proper deal for the farmers.

Again, Mr. Speaker, they are not part of the problem.

The Prime Minister said in the past that he has talked and the Minister of Agriculture said today that he had talked to the President of the United States on the phone. This is not enough. We are not going to get the necessary impression across over the telephone. When the leader of the Liberal Party is speaking to the President of the United States on Friday, I know that he will tell the President of the United States the feelings of Canadian farmers and this party, and he will be able to get that point across, as it should have been and must be done on behalf of Canadians.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the hon. member in his comments was saying that the producers of dairy products and poultry products should not be involved in these GATT negotiations. I would like him to remember back to a time when ice cream and yogurt became an issue. Is that not the reason that we are discussing this issue today, because of the supply management areas, because we are not protected under the present article XI? Does the Liberal Party not support the clarification and strengthening of article XI? I would like the member to comment on this.

Mr. Vanclief: Mr. Speaker, the hon. member is having fun playing with words. When I said that they should not be involved in this, they should not be involved in this because they are not part of the problem.

The government across the way told producers during the free trade debate: "Leave it with us. Article XI is protected. You are going to be okay. We have done this and we have done that". It knew all along that it did not protect the producers in the supply management sector in the free trade agreement the way it said it had.

What is worrying the producers today is that the great negotiator and his team from across the way have not got a very good track record on conducting negotiations. They have not been strong. They have not put the coalition of the other countries together successfully. There are more countries in the world than just the six that they keep listing that have some sort of supply management. They have not been successful in convincing the rest of the countries at GATT that a supply management system and control of production of that type of product does not cause problems in the world trade situation, that it solves problems.

They just have not worked hard enough at it. I hate to say this but I had some producers say to me the other day: "Lyle, I think they are all fluff and there is no stuff and they haven't got their heart in it. They're saying it but they don't believe it. They're free traders. They sold us down the drain on the free trade agreement and now they're sacrificing us again".

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I just want to make a point and ask a quick question here.

I have been receiving a lot of calls from my constituents and constituents in the province of New Brunswick who are concerned about these GATT negotiations. Quite clearly, they want a strengthened article XI. I ask the hon. member this: If we do not get that, what effect will that have on the agricultural industry in Atlantic Canada?

Mr. Vanclief: Mr. Speaker, we were given the figures this morning by the players in the industry that their estimate is, for example in the turkey production, that within five to six years there would be absolutely no turkey producers in Atlantic Canada. There would be a tremendously reduced number of all the producers.

I don't think I have to say anything more to the member.

The numbers would go, as would the spin-off, the community and the role that they play. The sector that has held Canadian agriculture together financially, that has made it economically viable in the last few years is the supply management sector. We cannot afford to lose that stability.

Mr. Joe McGuire (Egmont): Mr. Speaker, I am also pleased to have the opportunity tonight to be able to speak to the motion and the amendments on the table and to add my voice and that of Atlantic Canada to the debate on agriculture and the GATT, particularly article XI and the role of supply management.

It is an unfortunate but growing trend in Canada that when we have an industry or an institution that is successful, which has become part of the Canadian way of life and which has become an integral part of the economic or social fabric of the nation, then that is the industry or institution we have to meddle with, we have to reorganize, privatize or dismantle it. We seem to have an obsession to either tamper with or not defend or defend half-heartedly those areas which are most successful. We seem to be ashamed of our success. This is the new world order.

Such is the situation we find ourselves in today with our agricultural sector. Our dairy, egg and poultry industries all operate successfully with little or no government support. These are supply managed industries. Now these particular industries find themselves in jeopardy. The GATT negotiations threaten to replace the supply management system.

This change, if it comes to pass, will force our supply management producers to sacrifice a lifetime of effort and investment in order to satisfy the demands of others, particularly the Americans, so they can gain access to our markets.

While the official Canadian negotiating position calls for clarification and enhancement of article XI, there is a growing concern and suspicion in the country that the government's position may be softening. Rumours persist that Canada may agree to abandon supply management boards. This was stated by Lorne MacNeill, chairman of the P.E.I. egg marketing board, when he said: "I am very scared that Ottawa will not be there for farmers. Tariffs would eliminate small producers very fast". This is typical of sentiments expressed by farm leaders and management board people across the country. I do think that over the past weeks the producers have been able to stiffen the backbone of the government in this regard.

There is an underlying fear that the government is already preparing tariffication schedules and thus weakening our negotiating hand before we actually have to decide whether to sign the GATT.

Producers believed the government was fighting hard on their behalf until the minister said in St. John's, Newfoundland, and I quote from yesterday's edition of the farm newspaper *Farm and Country*: "At the dairy farmers of Canada meeting in St. John's, Newfoundland, when the minister was pressed to say whether or not article XI would be protected, he is quoted as saying I cannot guarantee that article XI will prevail". This came as a shock to the dairy farmers of Canada. They believed everything was fine. They thought that as of last December. If the Dunkel report had not come out what would have happened at that time was that the government would have signed the agreement without even the supply managed producers knowing that it was going to sign away their particular commodities on the altar of free trade.

This prompted Peter Gould, who is an Ontario Milk Board economist, to say that he just cannot see the logic in Canada playing the tariffication card before the GATT poker game even starts. He goes on to say that people are saying Canada is the Boy Scout in international trade. This is very unfair to Boy Scouts. It tarnishes their image. He goes on to say that Canadians are dupes. Gould says: "We give things away before we have to". Gould and others say that the government is doing a sales job on tariffication to make it palatable to Canadians. He says: "You have the Easter Bunny, you have Santa Claus and you have tariffication. You might as well throw in the Tooth Fairy along with them".

It is essential that intervention be made at the highest level in order to lay these fears to rest. It is imperative that the Prime Minister meet with his counterparts in the U.S. and the European Community again. He must defend our supply management system when the very survival of our dairy, poultry and egg industries is at stake.

• (1820)

I do not think our farmers should expect or have to settle for anything less than our national leaders going to the wall to defend their interests and by extension the national interest of all Canadians.

I wish the Prime Minister and our negotiators success and support in these final negotiations.

While this is a national problem I would like to direct most of my remaining remarks to the situation in Atlantic Canada and what the impact on that region will be if our system of supply management is scrapped in favour of tariffication.

Producers are asking for clarification of article XI, not tariffication.

In Atlantic Canada the national problems are compounded by our distance from supplies and from markets. Loss of our supply management system would be a devastating blow to those industries and to the economy of Atlantic Canada.

In the words of the Milk Marketing Board chairman, Gordon MacBeath, "It would mean the end of the dairy industry in this country. We would see massive imports of dairy products from the U.S. into central Canada, and under pressure to keep their markets in central Canada, these central Canadian dairies would start moving into the eastern markets. It would be the end of the small dairy holdings."

Farm organizations throughout Atlantic Canada, the four premiers, the four agriculture ministers, and the four members of Parliament are all on record supporting in strongest possible terms the concept of supply management. They insist that Canada must not agree to the tariffication proposed. It is their considered opinion that it would be tragic if the future of supply management is not secured in these final negotiations.

Just to conclude, I would like to say that the move to tariffication would, in essence, deliberately create in our country a region which would be virtually incapable of producing basic foods. Contrary to the argument that supply management fosters inefficiency and higher prices, we will find that food prices in Atlantic Canada will actually increase.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I want to congratulate the hon. member for Egmont for its presentation. I think the concerns that he has identified among farmers from his region are similar to those of farmers

elsewhere. However, in my opinion, Mr. Speaker, it is five minutes to midnight in these negotiations. Suddenly, after two years of telling us that everything was going fine, that everything was under control, that we had nothing to worry about, that it was doing a fine job, at five to midnight the government tells us that it is panicking. It is forced to admit in this House, at the request of the opposition, that it has only six allies among 108 countries. Yesterday, Mr. Germain Denis, the international trade assistant deputy minister, told a committee something that worries me a lot and that leads me to ask myself whether the government has a double agenda, that is, it would take a very tough public stand, but once at the negotiating table over there, it would be shy as a child. Mr. Germain Denis, the assistant deputy minister at international trade, who is very honest, no doubt, said: "We must understand one thing about this agricultural issue. Whether in our exporting industries or in our supply management industries, the status quo is not the correct solution."

I always thought that after the struggle of our farmers during the last 30 years, the *status quo* in milk, eggs, poultry was acceptable and viable. I would like my colleague from Egmont to comment on that statement of the assistant deputy minister. There seems to be two kinds of speeches, one for the public and one for discreet negotiations with a double talk, a double agenda. What are my colleague's views on that? Because the results are so minor that they worry me.

[*English*]

Mr. McGuire: Mr. Speaker, that is precisely the feeling that the producers were receiving in January of this year that even though they put their faith and trust in government that they would fight to keep it.

They could not believe themselves that the United States or the rest of the world in fact would ask us to make such a sacrifice in the name of world trade.

We had put our entire trust in GATT. I know during the past election we said that the free trade agreement did not protect supply management systems and that we would put our faith in GATT.

Now we are finding that our negotiators at GATT and the government really have not been able to convince the rest of the world, particularly the United States, that we are not the problem. Our producers in Canada and supply management are not the problem.

The government has already caved in on the pharmaceutical side. Surely it can use that ace with the United States in particular saying: "We have already agreed to your GATT position on pharmaceuticals. Why can you not in turn, if this is a deal, say that Canadian farmers and supply market products will be able to have a waiver or an exception in this regard?"

Mr. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, my riding is Perth—Wellington—Waterloo which comprises all that great county of Perth and parts of the two great counties beside it, Wellington and Waterloo.

Indeed, it is a great county in the supply management area. In my riding I have over 1,000 supply managed milk producers and I would think between 75 and 100 supply managed poultry producers. Of course, all the milk and poultry producers are under the supply management scheme.

We are debating a very serious matter here today. It is indeed what I told the producers in my riding would happen at the end of all of the debate we have had for five years on the matter of supply management and article XI.

We are at the crisis time. This is the time when the real answers would be coming out. It was not particularly the free trade issue at the time. As the last member said, it was a matter of GATT and here we are. We are at the final end.

You would have noticed if you were in the House a little while ago or watching. I asked a question of a senior member of the opposition which was in government a long time ago and I hope never will be back there again. I asked the member: Do we need a GATT agreement?

He would not answer. He ducked the question. He simply would not answer the question. That is not a privilege that we have. We in government have to look at the greater good. Indeed we must have a GATT agreement; we must be part of it.

We have serious other problems in agriculture that demand that agreement as well. This does not take away my support for our position which was hammered out between the Government of Canada and the supply managed producers that we should stick with their position and our position right to the end.

Indeed, this might be a degree of a hazard, because if we were losing on the matter—and I believe that we are going to win on this matter at least to a degree—and we cannot debate the other factors that might come into the agreement, we could very well lose some advantages there that we could have gained had we been part of the negotiations.

I feel today and felt this particularly earlier in the debate that we have people who know something about the farming community. Certainly members of the Standing Committee on Agriculture have been speaking, but we heard about all farmers, all family farms.

I want to say that we are abusing a large number of other family farms, in fact, the majority of family farms that are not supply managed. We must keep in mind here, as a group, that the farmers are divided between supply managed farmers and those who are not. Those who are not are the majority.

That does not say, however, anything against the importance of this particular segment of the poultry and dairy operations and of the importance of supply management. Supply management has given us stability in the farming regions, particularly in my region, that was not seen 25 and 30 years ago in my capacity as a veterinarian serving these farmers.

I saw the lack of stability. I saw the people who geared up, bought the tanks and equipment, bought the cows, fixed their barns, to sell to a market in Toronto. I saw them lose that market just on a whim. I saw them fighting for price on a product that was perishable, that would not stay fresh for very long.

Now under supply management they have stability. That stability has generated a stability in rural life as well. As we go along the country roads—my farmers remind me of this regularly—in Ontario and indeed, I am sure anywhere where we have supply managed products, you see very fine, properly maintained buildings. Our dairy and poultry farmers are able to put together a stable structure and keep it up.

• (1830)

They are able to practice sustainable agriculture because they have a decent return on their production. Supply management has allowed them a stable rural structure.

Supply management has kept the family farm stronger than it would be otherwise. The words family farm are overused, but terribly important. The family farm as we know it is a matter of a family owning and supplying all the labour for that farm. But in the case of the family farm under supply management there are about 2.5 people working on that farm. I assume they must be supporting something like 2.5 families on average.

I would suggest that is probably the future of supply management with or without the agreement. Farms are going to get bigger and the family farm will be a place where several farm families work and have a decent life with time off.

Supply management has given us a safe and secure supply of milk and poultry products. There is little direct subsidy. We heard a figure of $267 million going directly to manufactured milk producers. What they get out of the market is based on a border that is relatively closed, not totally closed, to the import of our product and on a cost of production formula. There may be some degree of subsidy going into the products in that particular respect.

I want the non-farm people to know this because it is important. The amount of money our supply managed farmers get in any form is equal to or less than that which American farmers get through their system. They supposedly have no subsidy yet there are many areas in which they do get it. Supply management provides a product, stability and a secure and safe supply without excess subsidy which other countries would supply.

When I looked at the motion this morning, I found I was going to have difficulty in supporting it. I have two or three areas I might mention before I sit down.

I noticed that the term unequivocally was used. It did not say: Do not support an agreement that does not include this. It says: Support this if it is there. It was not strong enough that we really want to push right to the very end to support our position on supply management.

I noticed as well that in the original motion somehow the drafters of the motion in the NDP talked about milk, eggs, hatching eggs, chicken and turkey but left out other products with potential supply management possibilities. I would mention in particular the apple industry. I would think the maple syrup industry would be a logical one in Quebec.

I felt the motion lacked in that particular regard as well. The area I was particularly concerned about in this motion was the fact of the Crow benefit. Somehow the NDP, and indeed we have heard it endorsed by a speaker from the Liberal Party, would prejudge how the Crow benefit should be paid. Do not consult. Do not go to the farmers as a whole. Talk only to their supporters and prejudge how it would be paid. I maintain that we must talk to the farmers and we must come up with a consensus about the best way to handle this benefit. We must make sure they still get the same amount of benefit or an adjusted amount as it increases.

I want to say that I am totally behind this motion as amended. I was a little concerned about the subamendment from the Official Opposition that directed how the Prime Minister would get involved. We know he is involved. We know of his concern for agriculture. We know he will be there on the front lines but they seem to be pinning it down on a particular type of meeting and I was a little concerned there.

I am willing to support this motion. We in the government know how important supply management is to the agricultural industry in Canada. We will carry forward our joint position right to the end in these trade negotiations to get a successful ending.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, we have just heard a very defeatist speech from the Tory chairman of the committee on agriculture. From beginning to end, the chairman admitted defeat. He repeated several times: "If we do not succeed at GATT, if we lose—" Mr. Speaker, I wish no one such a negotiator at such an important moment.

Tonight, if I were a milk, poultry, or egg producer, I would feel terribly insecure after listening to the speech of the Tory chairman of the committee on agriculture. He certainly must be knowledgeable. All the information that he gets has led him to throw in the towel. I think this is unacceptable from government members who have taken such formal commitments to their farmers. In 1988 they even campaigned, with their hands on their hearts, promising to strengthen article XI, and touring the countryside, they said: "Your lands and your farms are not in jeopardy, we will protect them."

Just now, the Tory chairman of the committee on agriculture said: "But if we have to, we will sign anyway, even if we have to sacrifice you on the GATT altar". What about this policy position, Mr. Speaker? He told us: "We will hold on to our principles until the signing". I ask him: In the end, if you do not keep your commitments to Quebec and Canadian farmers, as far as supply management is concerned, will you sign anyway? Will you throw away your commitments, and will you sacrifice the farmers?

[*English*]

Mr. Brightwell: Mr. Speaker, we have seen a great example of what one of the speakers on the other side called playing with words. Regardless of how realistic and proper one is in one's statements, someone like this member will stand up and play with words. At this particular time he chooses not to be in the real world but in whatever world but that he exists in there.

Our farmers deserve and need support. I will fight to make sure that they get support in this particular regard. If we fail to get this support I will challenge anybody to say that we have the power to reach out and shake the European Community and shake the Americans and say: "You must come to our way". If we do not get the support in this particular fashion, they must have support in equal kind in whatever way we can provide under the trade agreement.

I am fully in support of their position and I am fully in support of them having their proper support.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I am pleased that the member for Perth—Wellington—Waterloo said that he will support the motion plus the amendment and subamendment. The subamendment does call upon the Prime Minister to involve himself personally in GATT negotiations in the interest of Canada's dairy, egg and poultry producers by meeting with the President of the United States and the President of the European Community in order to secure their support and co-operation.

The member said that we have been debating supply management and the protection of this system for five years. His government has been in power for seven years, and after five years his Prime Minister could not convince more than five other countries to support this great supply management system. This is another Canadian institution which other countries would love to have but do not have. Here is a government again dismantling it just as it has dismantled a lot of other Canadian institutions. Here is another Canadian institution that it wants to dismantle.

I speak from experience because my parents farmed for 22 years in Saskatchewan and could not support a family of six children. They had to abandon the farm and move to another way of life. Finally, for the last 20 years we have had some stability in the pricing system because we can control supply. I would like to very specifically ask the member this. If his party cannot convince more than five other countries to support this, what is the government's strategy after that?

• (1840)

Mr. Brightwell: Mr. Speaker, we are not in a position really to consider a strategy after that for the very reason of this play on words. How can we consider another issue than the supply managed industry that we have at the particular time. We cannot talk about these other items because if we do, we will be seen to be backing off our main objective. I really wonder whether the hon. member's family was in a group that was supply managed. Was it poultry or dairy? It was probably what we would call cash crops in the east. I digress. I and the government insist that we carry through with our main objective. Then if we fail at that point we will have to look at what other alternatives there are to support our farmers totally and properly, as they deserve. I have confidence we are not going to fail.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, it is a pleasure to be able to participate in this debate.

Having looked at the motion, I see five facets to it. I am going to limit my remarks in the time available to two of them. One is the matter of the Crow benefit. The other is the export subsidies.

In regard to the Crow benefit, members will recall that this historic benefit, dating from 1897, called for the transportation of prairie grain to export at a rate of half a cent a ton mile. "Half a cent a ton mile forever" was the expression that was used in the prairie schoolhouses for many years. Members will know also that that ended back in 1983 with the passage of the Western Grain Transportation Act, which enshrined the then value of the Crow benefit to prairie producers at what now amounts to some $720 million. That $720 million covers about two-thirds of the cost of shipping the prairie grain to export. The other third is borne by the prairie producer.

There are nice arguments ongoing as to whether this Crow benefit should continue to be paid to the railways as specified under the Western Grain Transportation Act or whether there should be a change in the method of payment so that the moneys would go to the actual producer.

That is a bit of a side issue here in the context of the discussion of the Dunkel proposals and any possible GATT accord.

Over the prairies and other parts of Canada at the present time there have been a series of transportation discussion meetings. These were commissioned as a result of the unanimous agreement of the agriculture ministers of the country back at their meeting in Kananaskis in July of last year. The 10 provincial ministers and the federal minister agreed that a number of agriculture-related transportation issues would be put out to the farm community for discussion. Among them was the matter of payment of the Crow benefit.

The fact is that the method of payment of the Crow benefit is not really part and parcel of a GATT proposal. It is true that if the Dunkel text was accepted and if a final accord is reached along those lines there could be a reduction in the amount of the Crow benefit. This would be a phased-in reduction over a period of six years. The Crow benefit could however still remain and the method of payment could remain as is.

I think it is a little bit of a side issue to talk in terms of retaining the Crow benefit in its present form in the wording of this particular motion. The fact is that nothing in the proposed GATT wording calls for a change in the method of payment at all.

I do want to also address the matter of the export subsidies. I come from a grain-producing area in southwestern and south central Saskatchewan. I would guess my constituency grows the largest amount of wheat for export in the country, certainly the highest quality wheat. I can say unequivocally that the sale of grain for export is the engine that drives my area and, I believe, drives the Saskatchewan economy as a whole. That is a fact that has been recognized, not just by the government federally, but by successive provincial governments within Saskatchewan. The fact is that agriculture is the number one item and the number one priority. It has been treated as such by this government.

We have faced over the past number of years a very unfortunate diminution in international grain prices as a result of the disastrous export subsidy wars which we have seen between the superpowers, the European Common Market and the United States. The world price for wheat has sunk to the point where it has been in the $2 range with predictable effects on our farming communities in Saskatchewan and across Canada.

This government has supported prairie agriculture through a series of initiatives from the 1985 drought, Special Grains I, Special Grains II, the western grain stabilization changes, crop insurance, the Canadian Crop Drought Assistance Program, the FSAM I and II programs and, of course, the establishment of the long-term measures, NISA and GRIP, which were designed by the agricultural community to address the need for more certainty, more stability and the need for producers to know what their bottom line would be from year to year. Those programs are in their phase-in stage and I believe in the long term they will provide a level of stability that is very much needed in that sector.

The tragedy is that we had to have recourse to various *ad hoc* programs over the past number of years. The farm community does not like these programs. They do not like the programs, government does not like the programs and certainly the taxpayer of the country does not like the programs.

The problem is that when we come up against the United States and the European Community in providing support for farmers, it is very difficult because we are caught on this double-edged sword. One side of the sword is our dependence on export markets; 84 per cent of our wheat is destined for export. The other side of the sword is our limited population. We have 27 million people in this country compared to some 330 million in Europe, 250 million in the United States. Farmers are tremendously dependent on exports and, at the same time, we have a very much smaller population able to find the money with which to subsidize the programs.

The programs that we have put in place cost the Canadian taxpayers, in their opinion, too much, and at the same time, do not support to the producers in the way in which, I am sure, all members in this House would like to see.

What is the root cause of it? It is pretty obvious. It is the intervention of other governments in other countries into agriculture. If we could get these major powers out of agriculture, out of this business of harmful subsidies, then I believe that our producers can compete with the best of them. There is no question that our Canadian producers can grow grain at lower cost and more efficiently than virtually any other area in the world with the possible exception of certain parts of the United States.

The objective clearly has to be to try to work internationally in any way we can to try to bring down these harmful subsidies. What I see in the Dunkel draft proposals is a considerable amount of hope. This may well be the light at the end of the tunnel for an area of our country which has been hard hit over a number of years.

The Uruguay round has been going on for better than five years. Some 108 countries have been at the table. All of them want the same thing, Every single country at that GATT table wants to have things wide open where they are strong and competitive and they want to close it up tight where they are weak or perceive that they are vulnerable to competition.

Canada is no different; 107 other countries feel the same way. What that tells me, Mr. Speaker, and I think it must be obvious to everyone is in that process of bargaining, you are going to get some of the things you want but you are not going to get everything you want. You reach some form of compromise. There is no way that Canada is going to achieve every facet, every possible objective that it has had on the table over the past five years.

• (1850)

In brief, the Dunkel proposals call for reductions of something like 36 per cent on expenditure outlays and 24 per cent of the volume of export subsidies. These cuts applied to the average annual amount on the base period from 1986 to 1990, put in plain terms, means a reduction of the European Community support by something in the order of 40 per cent. In terms of the dollar amount of the U.S. export subsidies, it is perhaps 50 per cent.

That can be nothing but good news for a grain and oil seeds sector that has been very hard hit. I do not believe that it would be in the interests of this country, or indeed of members of this House, to insist that Canada achieve every possible element of perfection in a possible GATT agreement.

The fact is that this draft text—I assume it is getting near the final stages because after all, these countries have been at the table for five years—if it is accepted by all of these 108 nations I think will be good over all for Canada.

Canada cannot unilaterally walk away from a process like this and leave 107 countries at the table. It cannot say: "Fine, you go ahead. We are going to drop out. We are going to leave the civilized world. We are going to function as a pariah group on our own. We are going to be at the mercies of the winds".

I think that would be a completely and utterly irresponsible approach. I have faith in our negotiators and I have faith that in the process the best interests of Canada are being pursued. Recognizing that we cannot possibly achieve every single element that we would like, all of the participants in this process are going to have take some water in their wine. All are going to come away with something less than they wish. That is the nature of negotiations, the give and take. On balance and looking at these proposals, I believe that over all, they are beneficial for Canadian agriculture and for Canada.

Hopefully it will be possible to strengthen them. Hopefully it will be possible to make the proposals better. However, I say that we cannot unilaterally walk away from an agreement that I believe over all is positive for Canadian agriculture.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I found myself agreeing more than disagreeing with the hon. member who just spoke until he got to the end and said that over all he felt that this agreement in its present form would be good for Canada.

My assessment, and that of many other people, is that this agreement in its present form would do for the structure of Canadian agriculture what the free trade agreement has done for the structure of manufacturing in Ontario. It is something we should all be alarmed about and something that we need to fight vigorously to resist.

There are two questions which I would like to address to the hon. member. In his remarks he mentioned the WGTA and the Crow benefit. I took from his remarks—and I hope I interpreted them correctly—that the amendment which the government made to our motion removing the words "in its present form" means that we can make the technical changes to WGTA which might be required under a GATT agreement and does not mean that this government is going to try to piggy back in changes to the method of payment under the guise of the GATT agreement. I think our negotiators have said very clearly that that is not the case.

Second, I would like to ask the member a question with respect to the Prime Minister's involvement in this issue. We have heard discussion today about the Prime Minister meeting with farm groups on February 18.

I assumed that the meeting that people were talking about was the Prime Minister accepting the long-standing invitation of the supply management groups to meet with them to address their concerns.

However, I have just found out that the Prime Minister has called a meeting of his own to which he has invited farm leaders from all sectors, including the grains and oil seeds sector and the suspicion is—the member might tell me that this is unfounded—that this might well be an attempt to divide and conquer the farm community. The concerns of the supply management people will be diluted in those discussions by the input and the presence of people who do not have the same concerns with this particular GATT agreement.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, in answer to the first point regarding the WGTA benefit, I must tell the hon. member that I had the opportunity during the break in January to attend eight of the transportation hearings that were in my riding and benefited very much from them. I was able to hear the points of view of producers across an area of some 25,000 square miles and from what I heard from producers in my area was that the majority of them would favour retaining the Crow benefit in its present form, that is that it continue to be paid to the railways. Indeed, I have conveyed what I have heard to my colleagues down here.

At a couple of those meetings I also was put in a position of having to intervene and was able to point out that the GATT proposals may have some impact on the method of payment in the sense that there might be some reduction in the global amount but that nowhere in those proposals did it call for a change in the method of payment.

As the hon. member knows, there are at the present time across the country some 137 of these workshop style meetings that were initiated by the federal and provincial governments. I might say in passing I think it is unfortunate that the provincial government in Saskatchewan chose to back out of this process because I am not sure it was the responsible position to take. In any event these hearings are ongoing. The input received from producers will be gathered, summarized and presented to the various ministers across the country. No doubt further meetings will be convened among the 11 agriculture ministers and some decisions may or may not be taken. That, after all, was the whole purpose of this hearing process and this entire exercise.

The hon. member also raised the matter of the Prime Minister's involvement in regard to the GATT accord and these various agricultural issues. It is the hon. member's party which posed this motion which speaks to about five items. It talks about GATT. It talks about the maintenance of a viable and effective supply management. It talks about article XI. It talks about the Crow. It talks about export subsidies and environmental impact assessments and so on.

He talks about dividing and conquering, but the fact is that I think this motion is intact. There are five aspects to it, and I think it would be appropriate for the Prime Minister to meet with farm leaders across the country so that he can talk with them about the five items which the hon. member's own party has put on the floor.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I was involved in the supply marketing system in the dairy industry for most of my life. I remember what it was like before supply management and where it put us. It is important to note that supply management controls supply and orderly marketing.

In this case it means that farmers produce food for a fair price and are not in financial trouble. It is important to note that today the Canadian chicken agency indicated that within three years 86 per cent of Canadian producers would likely be out of business. Of 2,411, only 330 would remain.

Within two years they expect that the poultry industry will have ceased in Atlantic Canada.

I urge the government to support article XI and supply management. It is the backbone of the mixed farming industry in Prince Edward Island and Atlantic Canada, and it is a system that takes care of itself. It supplies food. If we look at the United States and the great difficulty the farmers are having there, if we look at the great difficulty in the Soviet Union where they do not have enough food, I think it is very important. We have the best system in the world today.

I urge the government to press forward and support article XI and supply management.

• (1900)

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I think we seriously have to ask whether the government is credible in this debate today and whether the government is levelling with us. The evidence would indicate no to both questions.

I say that because the agriculture minister this afternoon certainly put his remarks in the past tense, indicating that he feels that the Dunkel report is a finished job and will become part of a new GATT agreement. In other words, the government has caved in. It has thrown the towel in.

The member for Swift Current—Maple Creek—Assiniboia, who just finished speaking moments ago, certainly sounded as if he had thrown in the towel. He pretty well said: "That is all we are going to get, we had better take it".

There is another piece of evidence to indicate that the government has caved in. At the agriculture committee meeting yesterday and again today when department officials or members of this government spoke, they were very happy to talk about the consequences of a new GATT agreement, that is if it has to do with the WGTA, the farm safety net programs, or consequences dealing with subsidies or prices. They will talk your head off about those possible consequences resulting from a new GATT deal including the Dunkel report.

However, if you ask them about the impact on supply management, they suddenly become mute. They do not say anything. They do not give us any information. Has one member of the government stood up today and described the possible consequences to supply management if the Dunkel report is accepted? Not on your life. They will not say anything.

We asked the government for any results of impact studies. We asked last week. It started off saying that there was not even an impact study requested. Of course we know that is not true.

Why will it not give us this information? It is because it knows darn well that it would be embarrassed with the results if they were made public. What would be the impact on self-sufficiency of food in this country? That is a very responsible request. Should we not have that information? Food is very important to us. A country should be able to feed itself. Yet when we ask the government if it has done a study with respect to self-sufficiency in food, the answer is that apparently it has not. To me, that is sheer irresponsibility. Has there been an impact study on the environment? No.

I do not think there has been any kind of impact study, or at least it is withholding the results with respect to the so-called numbers. We get the numbers from the supply management people but we get nothing from this government.

If we lose supply management, let us face it, it is the end of orderly marketing for that sector of agriculture. It is the end of orderly marketing. It is the end of stability in that sector of agriculture. There is no doubt about it.

What we will have, and let us put it in straight words, will be dog eat dog, the law of the jungle. It will be a wild, unfettered open market system. That is what we will get.

We have had one of the most responsible, stable, productive sectors of the agricultural economy and we are going to do what? Give it away. That is what it looks like. We will lose the family farm. It will be replaced by huge, greedy, gluttonous corporate farms. We will be closer to the American style. We will be closer to the United States model, which is dominated by chaos and a lot of impoverished farmers. Is that the kind of system we want? It certainly looks like it to me when you listen to the government members speaking.

What we have in the way of supply management in this country is the envy of the world. In 20 years the system has grown tremendously. It has been tremendously successful. It has given consumers a strong supply of food at very good prices, the second best in the world. In the last 20 years the market has grown 50 per cent. To me, that is a mark of success. Are we going to blow it?

Australia did away with supply management. I have a piece of news for those consumers who might think that if we could just do away with supply management we would get lower prices. Look at the Australian experience. It has not had lower prices.

What is at stake is a $10 billion industry, and possibly as many as 100,000 jobs are at stake. Let us not forget the value of quotas or the value of the investment. It has been estimated that if we lose supply management, if the Dunkel report goes through as is, quotas now worth billions will be lost overnight.

The reason we proposed our subamendment is simple. We want the Prime Minister involved in these negotiations.

The Prime Minister should be embarrassed. He goes around telling the world he is a good friend of George Bush. In fact he even goes boating with him at Kennebunkport. He is a member of the G-7. He got George Bush to help him try to get the United Nations job. Why is he not calling in a few IOUs. Why is he not getting George Bush onside? The man should be embarrassed. That is why we are proposing this subamendment, to get the Prime Minister involved, to make him put his money where his mouth is. He stands up and says: "We are for clarifying and strengthening article XI". If that is the case, get to Bush and get to the President of the European Community.

I have just one more remark, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I will give you 30 seconds.

Mr. Harvard: There is still time. Let us not give up.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, the motion moved by the hon. member for Mackenzie would have sent a clear message that all of the parties and all of the members in this House unanimously support Canada's supply management system.

The amendment moved by the minister watered that down so we are now really congratulating the government whether it achieves anything or not.

Would the member who has just spoken consider this amendment to be yet one more piece of evidence of Canada's selling out its sovereignty on the altar of the Canada–U.S. Free Trade Agreement?

Mr. Harvard: Mr. Speaker, I am not exactly sure whether I caught the intent or the import of the question. However, it seems to me that giving away supply management is consistent with what this government gave away in the free trade deal. It is the same ideology, it is the same approach to marketing. It says: "Get government out of the way, get democracy out of the way, let us have an open market system and we will leave it to the big boys. Because after all the big boys are our friends and we have to help our big friends". That is what is behind this whole thing.

From day one I have been very suspicious of the government's motives. I have been very suspicious of the government position because I think, when you come right down to it, it does not want supply management. It wants dog eat dog, the law of the jungle. That is what it wants.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I am pleased to take part in this debate tonight. As we are entering the final weeks of the General Agreement on Tariffs and Trade negotiations, otherwise known as the GATT, the question the Canadian public should be asking after this debate is whether the Prime Minister, the two agriculture ministers, our Canadian negotiators and this government, are doing, have done, and will do everything possible to retain article XI.

• (1910)

Obviously article XI must remain in the GATT. Certainly the farmers who are here this week and who will be here next week do not believe that the government has done everything it can possibly do. We do not believe it.

Our amendment tonight is that the Prime Minister see President Bush, see our allies in Europe and say how important article XI is to this country, to our farmers, to our communities which are dependent. Article XI, for those at home who are just tuning in, relates in the GATT to our ability as a country to secure a constant supply of domestically produced milk, eggs, chicken, and turkey with stable prices.

It is an uncertain time for Canadian industry. The farmers in the east, in the Atlantic, have the most to lose if article XI is not in the GATT. We are so far away from the big markets and we are so close to the United States we could be overrun by those products.

It has been said here in Canada the production alone of these farms goods; milk, dairy, eggs, and poultry is a $10.2 billion dollar industry.

In Atlantic Canada the dairy, egg and poultry industries in 1991 employed 6,250 people. The returns for that in 1990 in those same industries, dairy, egg and poultry, was $642.4 million. This accounts for 36 per cent of all Atlantic cash receipts.

Over 50 per cent of Nova Scotia agriculture is based on products of supply managed goods. In my own riding of South West Nova—and the most recent statistics are still only 1986, these are not today's—but if you go by 1986, the last census taken, there were 79 supply managed farms.

This is only 13 per cent of the farms in my riding but they accounted for 30 per cent of the total farm sales in South West Nova. Those farm sales were $30,794,837 and every dollar counts in South West Nova as it does in all of Nova Scotia when you think of how many jobs have been lost in the area.

We are not talking beef. We are not talking pork. We are not talking mink, fox or fruit. We are talking dairy, egg and poultry in a very small area of Canada.

Supply management has given Canada a prosperous, productive agricultural sector. We have developed sup-

ply management with our domestic needs in mind only, not to go after other markets.

The fact that article XI is on the table at all is because of the absurd subsidy war between the United States and Europe. It has been estimated that if the Dunkel agreement goes ahead and quotas are eliminated, our supply managed farmers will face a massive drop in the value of their assets. I do not want to go into that because my time is limited, but this does not consider the immediate impact of quota on farm financing.

Bankers have often used 50 per cent of quota value as collateral for loans. Taking this indirect value into account, it has been estimated that under tariffication, which is what we will have in this industry if this government does not get to work fast, dairy farmers could face a drop of between 35 per cent and 40 per cent in the value of their farm assets.

According to the report that was given to us by the backgrounder here today, the industry will be particularly hard hit from the start in the maritimes and in the west. Producers and processors will be forced out of business. I take that as a direct quote on the east. It will affect all of Canada. We will not be able to compete if there is no article XI for our own domestic needs to be supplied here in Canada.

I said earlier that the question Canadians have to ask and have to ask every politician in this House is: Is this government, is our Prime Minister, actually doing enough for Canadians? I say that in light of the motion that is before us tonight, and I would like to re-read it.

We would like to see, and our motion amended the main motion before this House: "that this House call upon the Prime Minister to involve himself personally in the GATT negotiations in the interests of Canada's dairy, egg and poultry producers by meeting with the President of the United States and with the President of the European Community in order to secure their support and to do so in co-operation with other countries that agree with Canada's position on a strengthened and clarified GATT article XI".

Now I only want to say two things in the two minutes that are left to me. We cannot afford as a country not to put all our effort into maintaining article XI, because we do not have the same conditions that they do in the United States. Our climate is different; we have fewer people; and we have transportation costs that are very high for most Canadians, if they have to pay the actual cost.

We came up with a beautiful plan called supply management. I do not understand why our Canadian supply management has to be questioned under the GATT. I do not understand why our ministers of agriculture, the two of them, and our Prime Minister and our negotiators cannot from this day on be talking to our allies in Europe and in Canada. We are not hurting them with our supply management. It is a subsidy war perhaps that is going on between the United States and Europe in their agricultural forum. Why take it out on Canada's supply management?

You know we have allies that we should be going after. We do not see the Prime Minister meeting with Japan; we do not see him going after other allies that are with us on this problem. We don't see him doing anything.

That is why, as I said before, the farmers are here today. That is why they are meeting next week. Unless we impress on the Prime Minister and his ministers of agriculture to go out and start negotiating to keep article XI, I am afraid our agricultural industry will be very much depleted.

Mr. Rex Crawford (Kent): Mr. Speaker, I would like to congratulate the hon. member for South West Nova on an excellent speech which was very moving and factual.

In my riding of Kent I have many who are in supply management and the marketing boards. They are very concerned about the government's attitude in the GATT negotiations, and especially article XI. They feel that the government is not putting their whole thrust into fighting for the farmers.

The farmers are extremely upset. I have had many meetings in my office with the confederation of agriculture, the milk marketing board, the poultry board throughout the last few months. They feel that the government is not going in good faith and fighting on their behalf.

Being in the farming business myself, it worries me immensely because I will come up short. Maybe it is a little greed on my side. But we have the best farming operations in Canada—and I live right on the American border so I know what we are competing against with the Americans—I know the way they are being abused.

I would like to ask the hon. member if she has talked to many of her constituents and heard their feelings, their gut reactions to what the government is doing on the GATT deliberations.

Mrs. Campbell (South West Nova): Mr. Speaker, I have heard from many of the supply managed farmers in Nova Scotia and they are concerned. They know we live very close to the American border.

It was very interesting today. One of the representatives of the group that met us in caucus, a Mr. Crone I think, from B.C., said he lived right at the border, the 49th parallel. He saw his American neighbour's farm not in the same condition as his own farm because the American farmer was on a *laissez-faire* type of farm endeavour and we had a supply managed operation.

• (1920)

He could see exactly what his farm would be like if it would happen to him next year when there is no article XI.

Just ask the pork producers, I have a good many of them in my riding, what free trade has done. We were to have a mechanism that would protect us. It has not protected us. The pork producers have spent millions of dollars to impress upon this government that it must work harder to keep article XI and they received a slap in the face. That was not going to be followed in the U.S. Who wins in this game with the Americans?

[*Translation*]

M. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am honoured to have the opportunity today to be part of this debate. I must say, however, that this situation is of great concern for the constituents of Glengarry—Prescott—Russell. In my riding, according to Agriculture Canada, there are 109 milk producers, as well as many poultry and egg producers. So if GATT creates problems in my riding, if farmers lose their livehood, they of course will suffer but so will the whole of our society, because they make up such a large part of our community.

The supply managed industry generates some $10 billion in revenues in Canada. Some 100,000 jobs are at stake here today and some 40,000 family farms are in danger. Why? Because our government is failing. That's why. Since 1987, Canada has been taking part in talks to amend the multilateral GATT agreement, the famous Uruguay round. What are some of its purposes? Well, Mr. Speaker, first, the nations want to include agriculture in the GATT provisions and in doing so, put an end to the export subsidy war going on between some countries. I think everybody wants to see that subsidy war come to an end. But that is not the point. What will be the cost of putting an end to that war? We must sacrifice some innocent people because, evidently, in the egg, milk and poultry industry, exportation is not an item. There is practically none. So they did not cause the export war, at least not the producers of the commodities that I just mentioned. And even so, Canada is not to blame in this export war, which is mainly between the United States of America and the European Common Market. In any case, the producers I just listed are not part of it and of course have nothing to gain and everything to lose.

In December, Art Dunkel, the president of the GATT negotiations, tabled a document which included all the articles on which the parties agreed; in cases where there was no agreement, he chose a middle position himself or a position of his own and put it in his report, which he then circulated. What does that document include? It includes a tariff system to replace article XI of GATT which allows us today to have quantitative restrictions at the border. Of course, those tariffs will be lowered by about 6 per cent a year or 36 per cent over six years. The tariffs will eventually be eliminated, in some cases in the short term, in others it will take longer. Of course, nothing will prevent U.S. imports from flooding the Canadian market and undermining the whole credibility of the supply management system we have in Canada.

The hon. member for Algoma put it well just now. He asked the Prime Minister to get involved personally in these negotiations; he demanded that he telephone or contact the President of the United States, the President of the European Common Market and the other parties so that Canadian producers of milk, poultry and eggs, who have nothing to do with that subsidy war, will not be the victims. What the hon. member for Algoma asks is quite reasonable. It is now up to the Prime Minister. It was up to him from the beginning, but it is not enough to telephone George Bush in Washington. The Prime Minister himself should have gone there and elsewhere to ensure that 100,000 jobs and 40,000 family farms in Canada were not jeopardized. Now we are at the eleventh hour of the last day and what should have been done has not been done. Of course, since it has not been

done, or at least not done well enough, our producers are now threatened.

Mr. Speaker, yesterday in the House, I asked whether, in light of the Dunkel report, the government had at least found out what damage would be done by these measures. I asked whether there was an impact study. The minister said on page 6768 of *Hansard* yesterday:

—no formal request for an impact study has been received—

I have in my hand a letter dated January 10, 1992 and signed by the president of the Canadian Milk Producers Federation, who says:

[*English*]

"We therefore urge the federal government to provide us with such an assessment". In the previous sentence it describes that assessment as an impact assessment. Why were we not even given by the minister yesterday, and I will put this kindly, accurate information about whether such an assessment was sought and was done?

I have my opinion about it. Such an assessment was done but the government will not share the results with this House or with anyone else. If the day comes when it signs that agreement the way it is then it will have to plead guilty to causing all that damage, the proof of which will be in the assessment in question. That is why the government will not provide it.

[*Translation*]

Mr. Speaker, in conclusion, I would like to tell the Prime Minister that the 109 dairy farmers in Glengarry—Prescott—Russell want to continue to operate their family farms. All they want is the government's co-operation and our support. They want to continue to earn their living honestly. It seems to me that is quite a reasonable request.

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, I listened to the hon. member for Glengarry—Prescott—Russell spreading all kinds of gloom and doom and expressing all kinds of fears which in my opinion are not justified, just like his Liberal colleagues and NDP members have been doing all evening.

Mr. Speaker, I have a very simple question for the hon. member for Glengarry—Prescott—Russell. Could he mention in the House a single instance, a single statement, either in the press or on the radio, by the Prime Minister, the Minister of Agriculture or the Minister of State for Agriculture, that says that Canada is abandoning its position on protecting the interests of Canadian farmers, on asking for clarification and reinforcement of article XI, and on protecting marketing boards? Could he quote a single statement to that effect? I want to hear a statement in which government representatives at GATT indicated that we were abandoning those positions, Mr. Speaker.

Mr. Boudria: Mr. Speaker, I go by the results, not by the hon. member's questions. The result is the Dunkel document we have today, which is a threat, not according to the hon. member from Glengarry—Prescott—Russell but according to the marketing boards for milk, turkey and egg producers, the chicken marketing boards and the board for hatching eggs and roasters. All these boards have told us about the potential impact of the Dunkel report. The point is not what the Prime Minister did but what he did not do. He failed to do his duty. He did not do what he should have done to protect agriculture.

• (1930)

[*English*]

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I am pleased to be able to join in this debate today because for the farming community I represent this is a very important debate.

We want the people in the Fraser Valley to know that this government and members on both sides of this House are in support of what Canada is trying to do in the GATT negotiations.

To begin with, I would like to restate the government's position in the GATT talks. Canada went into the Uruguay round of negotiations in 1986 with four principal objectives.

First of all, we were seeking substantial reductions in trade distorting subsidies, particularly export subsidies. Second, we wanted improved, predictable and more secure access to export markets through a reduction in tariffs and non-tariff barriers.

Third, we wanted clearer and fairer GATT rules that apply equally to all countries, including a strengthened and clarified article XI—I will have more to say about this point later—the elimination of countries' specific exemptions and better disciplines on the use of countervailing duties.

Fourth, we wanted to see the development of a framework of rules to prevent the abuse of health and sanitary regulations as disguised barriers to trade.

It bears repeating that this position was drafted with the full co-operation of all parts of the agrifood industry. In our recent discussions with industry representatives they have asked us to hold firm to this stand, and we have agreed.

I, along with a number of our colleagues this morning, met with the leadership of the marketing agencies. In the clearest terms possible, this was Canada's position in 1986 and it is Canada's position now. It will be our position when the negotiations conclude.

The negotiators have been back at work in Geneva for almost a month now, working with the draft text prepared by Arthur Dunkel, the GATT Secretary-General and chairman of the agriculture negotiating group.

Canada has joined with the other 107 GATT members in accepting this draft as the basis for negotiations because we believe it holds considerable promise for establishing a freer, more stable and less distorted agricultural trading community.

Reductions in trade distorting domestic support and substantial cuts in subsidized exports would create a more level international playing field.

This would help to bring the agricultural trade war under effective control and allow Canadian farmers to compete on fairer terms. It would also have a more positive effect on grain and other agricultural commodity prices in the long term.

We would still be free to support our farmers through programs that are best intended for Canadian agriculture. There are no limits on how much government support can be provided if it meets the "green" criteria. "Green" support measures will be free from countervail.

That is a thumbnail sketch of what is proposed in the Dunkel text as a basis for further negotiations. However, we are disappointed that the draft text does not call for the strengthening and clarification of article XI, the section of the GATT agreement which allows us to impose border controls on supply managed products.

Instead, Mr. Dunkel would have us replace our current import quotas with tariffs and we would be unable to impose any import quotas during the implementation period. Mr. Dunkel has told us that he believes comprehensive tariffication without exception is the only possible way to reconcile the United States and the European Community.

In his view it is the possible way to secure an agreement. I want to re-emphasize that Canada does not agree with Mr. Dunkel's assessment of the situation.

While we are treating the Dunkel paper as a basis for negotiations, we have remained as committed as ever to a clarified article XI. Our ambassador made this point very clearly on January 13 when the talks resumed.

Our experience with supply management tells us that it is an effective marketing system that does not distort trade. We continue to believe that the best way to protect supply management is through a strengthened and clarified article XI. I should point out that article XI, as it stands, is not an acceptable alternative.

Recent GATT panel rulings have raised a number of uncertainties as to which processed products are eligible to receive import protection under article XI. In the past several months, the Canadian government has worked tirelessly to promote our position with Mr. Dunkel and the other GATT members. The Minister of Agriculture, the Minister for International Trade, the Minister of State for Grains and Oilseeds, and the Minister of State for Agriculture have met their counterparts from the United States, the European Community, Japan, Korea and other GATT members.

In replying to a question from the opposition last week asking whether he had been part of the GATT talks with other heads of state, the Prime Minister said as reported in *Hansard* for February 5:

> I have met with everybody from Art Dunkel to President Bush, to President Mitterrand and to the president of the European commission. We had a meeting with Jacques Delors that lasted in excess of three hours precisely on this point. We made the case, chapter and verse, about its importance not only to the nation but to each individual producer. We are going to make it again.

At every opportunity we have pushed for support for the Canadian position, specifically the strengthening and clarifying of article XI of the GATT. Between now and March 1, when all participants are to table revised offers on agriculture, the negotiations are moving ahead on four tracks.

The trade negotiations committee is discussing possible changes to the package. The major delegations will have to agree here to any significant amendments. Inconsistencies and omissions in the draft text are being addressed by a legal drafting group without changing the balance of rights and obligations. Schedules of initial commitments on services are being developed in market access negotiations. Market access negotiations on goods are developing schedules of market access concessions as well as commitments on export subsidies and internal support for agriculture.

When the country schedules are tabled on March 1, intensive negotiations among trading partners will likely begin again. All parties agree that the round should be wrapped up by Easter. That will leave us just over eight months to prepare for implementation, which is to begin on January 1, 1993.

Speaking as the member from the Fraser Valley in British Columbia, when I go to farm meetings I am surprised at the age bracket of the people who attend these meetings. There are many young farmers getting into agriculture in Canada. I know they are concerned about what is happening at the GATT talks as we are concerned here in this House tonight. I want to assure them that we are doing everything in our power to make sure that we have a successful conclusion to this round of negotiations.

This is the first time that agriculture has been part of the GATT negotiations on all levels of the GATT, which started back in 1986. Our negotiating stance has not wavered since 1986 and it is consistent to this day. We ask for the support of the agriculture community and members from both sides of this House so that Canada's position is maintained on a consistent basis as we all want to ensure that we keep the supply management system we have in agriculture in our country.

The Government of Canada is committed to supply management and we are committed to the strengthening and clarifying of article XI.

• (1940)

Mrs. Louise Feltham (Wild Rose): I have a very brief comment, Mr. Speaker. I am so very pleased that my colleague again has emphasized the government's position, that we are asking for strengthening and clarification of article XI. This has always been the position we have taken.

We also realize that Canada needs a successful end to the Uruguay round in order to enhance Canada's prosperity, to bolster exports, to improve the rules for trade, and to eliminate or reduce trade distorting effects of subsidies.

We realize all of this but we are still asking for strengthening and tariffication of article XI.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I want to ask a question of the hon. member. Before I do so I want to make a brief comment on this very important issue.

I have spoken in the House several times on the importance of the supply management system. My riding is in Prince Edward Island and in my province supply management products account for 17.6 per cent of the total cash receipts.

I talked to many farmers there and they are genuinely concerned about the lack of action on the part of this government.

Again, I call on the government to pull out all stops to ensure that the supply management system is protected and that article XI of GATT is strengthened and preserved.

I want to ask the hon. member why the government has not done an impact study when the dairy farmers of Canada have asked for such a study.

Mr. Belsher: Mr. Speaker, this morning when we met with the agriculture people and asked each of the groups if they wished to participate with us in doing an impact study, every one with the feather industry said yes. The dairy people said they would have to go back and check to see whether or not they could.

I am reporting what was said in a meeting this morning with 17 or 18 others. We are not debating that question right now.

The dairy people, while they may be asking us to do an impact study all by ourselves, did not wish to participate in the impact study. Whether or not they have changed since then, I was also very concerned with the ad that the dairy people of Canada ran this past week. It would serve to let people know in our country that they think that maybe the government is not fighting on their behalf. This is a sad situation.

Everything that can be done is being done and will continue to be done.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, during the member's remarks I noticed he said that one of the advantages of the current Dunkel proposal would be better prices in the long run for grain farmers.

He should be aware of the half a dozen or so projected results that I have been able to see, none of which originated in Canada by the way. Yes, they usually project some increase in export prices but when you get down to the grain farm which in our case is quite a way inland, incomes are very much lower with deals that do away with the subsidies.

The effects on land rentals are quite dramatic downward. Land and rentals are worth about one-half under a full desubsidization. The only advantage and the one that keeps grain farmers in the discussions is that we will be spelling out some rules, I hope, so that countries like the United States and the European Community, big players, cannot come in and unilaterally change the terms of trade by government actions which will now have to comply with some GATT rules.

The GATT is not going to increase incomes to farmers. We will have to rely on El Nino or some dramatic weather change to do that. This political change is not going to mean better incomes for farmers. In fact, it will have the opposite result.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I would just like to make a comment. As a person who owns a dairy quota and now understanding what supply management means and also being part of the government, certainly my representations and my understanding must be different on what we are doing, from what the member from Glengarry—Prescott—Russell was saying and the kind of accusations he was making.

The government, from the Prime Minister on down is fighting diligently and persistently for the retention, the upgrading, the clarification and the strengthening of article XI.

I attended the meeting with the supply management people this morning and certainly they did not say that we were not and I do not think they said it when they went across and met with the Liberals in their caucus that this government was not working hard to have article XI retained.

The statements they are making certainly cannot be attributed to the supply management people because certainly they did not say that to us this morning. They wanted our help. They wanted to work together with us on it and that is the important thing, that we all work together on the retention of article XI, the strengthening and the clarification. We all want to do that.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, this debate rings with a familiar sound. It was in the 1960s that a group of us came back to this Parliament between Christmas and New Years to pass the National Farm Products Marketing Act.

Tonight we are debating whether we are going to retain the very farm management system that that act set up with the farm marketing boards across Canada.

The Americans are very adept at using non-tariff barriers to go against other industries in this nation, but here they want to destroy the farm management system in this country and get rid of those non-tariff farm barriers at a time when the farm community of this country is in dire need.

There is a lot of concern out there in this country and this government had better realize that it has to fight with everybody else on this issue.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment to the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

Amendment to the amendment agreed to.

The Acting Speaker (Mr. Paproski): The next question is on the amendment, as amended. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Amendment, as amended, agreed to.

The Acting Speaker (Mr. Paproski): The next question is on the main motion. Is it the pleasure of the House to adopt the motion as amended?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

Motion, as amended, agreed to.

• (1950)

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 30(7), the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

Mr. Angus: Mr. Speaker, I suspect that some people were caught unaware by the decision and the timing of it. I suspect the hon. member anticipated being here for 8 p.m. Perhaps I could ask the Chair to suspend until then.

Mr. Hawkes: It is a government member who is doing Private Members' Business. He is looking forward to this evening very much. If the House could suspend until his arrival or until 8 p.m. it would be appreciated.

Mr. Dingwall: Mr. Speaker, in the spirit of reform that was exhibited earlier this day by the government House leader, we would certainly subscribe to the views of the chief government Whip.

Mr. Blaikie: Mr. Speaker, on a point of order, I am sure many members in the House will recall that I have argued on many occasions that these types of motions ought to be passed by the House without the government falling.

I am glad to see today that we have fulfilled one of the expectations of the McGrath committee report and had a free vote, in this case a unanimous vote on an opposition day motion. I look forward to further fulfilling those expectations in future votes of this kind in this Parliament and in future Parliaments.

SUSPENSION OF SITTING

The Acting Speaker (Mr. Paproski): Is it the wish of the House to suspend the sitting to the call of the bell?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): I will suspend the House until 8 p.m.

The sitting of the House was suspended at 7.52 p.m.

SITTING RESUMED

The House resumed at 8 p.m.

PRIVATE MEMBERS' BUSINESS

[*English*]

VIOLENCE

PORTRAYAL BY MEDIA

Mr. Larry Schneider (Regina—Wascana) moved:

That, in the opinion of this House, a full review of the media's portrayal of violence toward and abuse of women and children, should be held by an appropriate committee of the House of Commons with the aim of making recommendations as to how better to protect innocent Canadians from being exposed to such portrayals without interfering unduly with artistic freedom and freedom of the press.

He said: Mr. Speaker, I indeed feel very fortunate to have the opportunity to speak to the House today on my private member's motion No. 534, introduced on May 23, 1991. The motion reads:

That, in the opinion of this House, a full review should be held by an appropriate committee of the House of Commons of the media's portrayal of violence toward women and children.

This review would make recommendations as to how we might protect innocent Canadians from being exposed to such portrayals without interfering unduly with artistic freedom and freedom of the press.

My comments will speak to the issue surrounding violence and abuse against women, violence against children, violence on aboriginal reserves, violence in rural communities as well as the media's coverage and the media's portrayal of these issues at the national and local level.

I wish to preface my remarks by indicating that the statistics I bring forward are not presented for sensational effect or drama. They are stated to bring to the attention and awareness of Canadians the magnitude of the problem of violence in our society.

My statistics have been gleaned from various sources, including Health and Welfare Canada, the Canadian Association of Sexual Assault Centres, transition house directors, aboriginal groups, Canadian publications, including the newsletter of the Federation of Women Teachers Associations of Ontario, as well as recent American and Canadian studies.

Canadian research indicates that the incidence of violence against women and children has escalated. In Canada in 1989, 119 women were murdered in domestic relationships. Most publications say that one in ten Canadian women is battered by her male partner. The Smith study from Toronto in 1987 suggests the number is closer to one in four women who is physically abused by her male partner.

The insidious part of all of this is that 80 per cent of the children in those homes witnessed their father's violence, thus leaving indelible scars on their developing personalities.

The Canadian Association of Sexual Assault Centres tells us that every 17 minutes a Canadian woman is raped. An alarming 84 per cent of assaulted women are raped by someone they know. Date rape is the newest form of violence for women to fear. The attitudes of young people toward date rape are disturbing.

Results of recent studies at Toronto high schools and York University found that 54 per cent of high school boys and 42 per cent of girls sampled said it was acceptable for a boy to hold a girl down and force her to have sexual relations with him if he had spent a lot of money on her, they had dated a long time, or she had led him on.

In another study, 65 per cent of the young men and 47 per cent of the young women thought a man could force a woman to have sex if they had been dating for more than six months.

Mr. Speaker, children are victims too. The true extent of physical and sexual abuse is difficult to determine because it is usually the most extreme cases which come to the attention of the authorities.

The Canadian Medical Association estimates that 8,000 children are badly injured by abuse every year. The Badgley report in 1984 claims that one of three males and two of three females have been victims of unwanted sexual acts before they reach the age of 21.

Statistics do not describe the scars that abusers leave on their victims. Men who battered consistently report that they had witnessed their mothers being battered and received physical abuse themselves. Violence was learned as a source of power and control in their first social group, the family.

The predicament of children who are captive in violent homes is terrible. In their study, "Children of Battered Women", Joffe, Wolfe and Wilson quote the work of L. Walker, and I quote as well:

> Children who live in a battering relationship experience the most insidious form of child abuse.
>
> Whether or not they are physically abused by either parent is less important than the pyschological scars they bear from watching their father beat their mother.
>
> They learn to become part of the dishonest conspiracy of silence.
>
> They learn to lie, to prevent inappropriate behaviour and they learn to suspend the fulfilment of their needs rather than risk another confrontation. They expend a lot of energy avoiding problems.

So continues that study.

Not every child exposed to wife battering becomes violent. But it is probably safe to say that children who witness violence will experience psychological consequences. Wife battering is a problem with so many implications that it can be believed as the invisible core of violence in our society.

Family violence and abuse affects everyone including all social, racial, cultural, religious, economic and professional classes. However, aboriginal family violence and abuse is becoming a major concern in Canada. Studies indicate that family violence is escalating dramatically in aboriginal communities. Often aboriginal people do not view the problem as one of offender–victim relationship so much as one of community dysfunction of which family violence is but one symptom.

Consequently, solutions should be viewed in terms of holistic community-wide healing processes which must be planned, developed and implemented by and with aboriginal people. At present, many social service personnel on reserves find they have neither the training nor the resources to deal with the dramatic increase in the number of disclosures of physical or sexual abuse. Indian communities must seek to empower themselves to resolve their problems. To achieve this end, they require long-term commitment from governments and their own leadership.

Violence against women and children is not limited to big cities across Canada. It is also a reality in rural Canada. Patterns are changing in rural Canada. Rural abuse has taken on a new dimension at a time where the economy of rural areas is bleak. All of the horrors of city family violence are right there along the gravel roads of rural Canada. Small communities are under stress, families are in conflict, alcohol and drug abuse are significant factors. All of these difficulties may well be the setting and may well be setting the stage in rural communities for ongoing abuse in families where there has been little prior history.

How does the media factor in all of the above, Mr. Speaker? The statistics would suggest the media contributes to and supports the culture of violence that the child sees in the home. Studies by Molnar indicate that in 1982, 3 to 11 year olds were exposed to 15 hours a week of violent cartoons. Carlsson-Paige and Levine found that by 1987 it had escalated to 43 hours a week. That was likely before the Ninja Turtles too I would suggest.

The average child could spend the equivalent of 22 school days a year watching violence on television. There is the potential for television to teach children a view which includes violence as an acceptable solution to resolving conflict. Friedrich-Cofer and Huston in 1986 concluded that television violence definitely affects aggression.

It should not be too surprising then that dating violence has become a problem in Canada. Young people from 12 to 17 years of age are the primary consumers of pornography in Canada. Check and Lacrosse in conducting surveys of attitudes toward pornography in metro Toronto high school students reported that 35 per cent of those sampled reported watching scenes of rape, torture and bondage.

It would seem imperative therefore that those engaged in media programming as well as all forms of media reporting be made cognizant of the significance of their industry as to how it impacts as a role model upon our children and youth.

Solutions to the problem of violence and abuse must come from all sectors of society, including government at all levels.

• (2010)

The members in this House are aware of the initiatives which have been undertaken by the government over the last number of years to deal with the questions of violence against women and children in our communities. Many organizations outside government should be lauded for having joined forces with us to implement such initiatives as the Child Sexual Abuse Guidelines for community workers. I am proud to say that this protocol was developed by working professionals across Canada and it was indeed shared by a constituent, Laura Carment, who is the regional director of Child and Youth Services, Mental Health Services, Saskatchewan Mental Health in Regina.

The recently announced $136 million federal initiative on family violence will give all jurisdictions in Canada the opportunity over the next four years to develop programs to address the specific needs in their communities. There is, of course, support for the Canadian panel for violence against women established by the minister responsible for the status of women, to investigate the extent of violence in our society and to determine workable solutions.

There are those in Canada who would suggest the minister should ultimately call for a royal commission on violence against women.

These are laudable programs and initiatives, but we can and we must do more to address the problems of violence against women and children in Canada.

As the federal government, we should seek to form new partnerships with other levels of government, non-government organizations, professional associations, community groups and the private sector, to identify, treat and prevent problems of violence and abuse.

It is with this thought in mind that I put forward the view that the media has a pivotal role to play in facing the problems in being part of the solution in dealing with violence against women and children.

Since the media is one of the primary distributors of the message, I believe it is essential that the media should be enlisted to work in concert with our national goals and framework to deal with the problems of violence against women and children in our capacity to prevent family violence.

There are many questions which must be asked, and these are just but a few. Does the media have a code of ethics or protocol regarding the programming and reporting of scenes of violence and abuse against women and children. Would advertisers consider boycotting programs that display such violence? Would viewers consider boycotting both programs and advertisers who display and/or condone violence and abuse against women and children? These and other related questions constitute a major concern to me and I urge this House to give this matter serious consideration.

I would also at this time like to thank my wife, Shirley, for the role she played in the development of my interest and concern in this subject. Together we have a vision of Canada as a country that takes true and compassionate care of its children, its seniors and those who are defenceless against brutality, a country in which the vulnerable among us can live in dignity and safety, free from violence. I hope everyone in this House will share this vision with us.

Ms. Mary Clancy (Halifax): Mr. Speaker, I am very happy to stand in this House tonight and support the motion by my hon. colleague and good friend, the member for Regina—Wascana. I certainly support very much the motion that he has brought forward.

Perhaps the most disturbing aspect of our burgeoning technological society today is the predeliction for violence in the media, and in particular in that most influential of the media, television. It just happened that last weekend Halifax was getting its third major storm in a week and I could not step outside my house. I was flipping around the television channels and on every commercial channel, as opposed to say *Newsworld* or some of the other news channels or the movie channels, you had cartoons for children. In every one, every single one—and it was around nine o'clock on a Saturday morning—there was what I consider, and I would suggest what most people in this House would consider to be, an undue amount of violence.

My hon. friend mentioned the teenage mutant Ninja turtles—if I have the title correct—and those characters are extremely popular with very small children. Preschoolers in general are the ones who seem to be taken by that. On another channel there was some sort of a space cartoon where people were being decapitated, men and women both, by some sort of monster. One had a sort of eerie response to the fact that across this country children were sitting in front of those television sets, captivated by this, and getting a message that nobody really seriously could want to send to them.

We know that television is the most pervasive and popular of the media. As my hon. friend has said, we know that on average Canadian spend 23.4 hours per week in front of the television. Children spend a disproportionate amount of time in front of the television. In fact they spend more time in front of the television sets than they spend in school.

Mediawatch reported the most disturbing facts in its review of programming on R-rated television. Here are some of the figures. Women are more likely than men to be depicted nude and as going from fully clothed to either partially nude or nude. The body parts of females were far more likely to be shown in a disassembled manner than the body parts of males. That is tidying up the language. What a disassembled manner means is that women were more likely to be shown dismembered on television than men were.

Of the programs that contained a combination of sex and violence, 92 per cent had a female victim. Males were abused in only 8 per cent of cases. Women comprised 63 per cent of the instances of violence in English TV drama and 62 per cent in French TV drama. They composed an equally high percentage of those shown in what could be considered a somewhat subservient or a lot subservient manner. For example, if someone was being shown in a bathing-suit, underwear, skin-tight clothing or in a bathtub or shower scene, or grooming or unclothed, in all of these women were 60 per cent of the characterizations.

Even the media's portrayal of violence against women and children seems to go over the edge into the sensational. God knows we have enough actual incidents in our society of violence against women and children, but there is a tendency in the media today to take even these horrific situations and make them worse.

Rather that report on the daily incidents of violence against women and children, the reports tend to focus on usual aspects of this violence. For example, one only has to look at the coverage of the Polytechnique massacre and the explanations that were offered. One only has to look at the way some of the media reacted to this.

I know that my colleague from New Westminster—Burnaby, as well as the hon. minister, will remember in the report of the subcommittee on the status of women something I will never forget. It is the *Maclean's* magazine ad in the week after the Polytechnique massacre. It was brought to our attention in committee by a journalism professor from Carleton University. I will describe it, because certainly I read the issue of *Maclean's* that week and did not even notice it.

On the left-hand side is the study about the Polytechnique and there is a photograph of the flowers in the snow in front of the building that people left there that December day. On the right-hand side is an ad for the House of Birks, Canada's most famous and nation-wide jewellery and gift store. In the House of Birks ad is a head and shoulders of a woman and she is blue. In the medical term she is cyanotic. There is a chain hanging around her neck. It is quite artistic. It is quite sophisticated and, when we really look at it, it is quite frightening because in actual fact living women do not look like that; dead women look like that.

This was something that every one of us, I would wager, looked at that week and did not notice. As I said, I did not notice it. None of us noticed it until it was brought to our attention by this journalism professor. When we have something like that brought to our attention, we realize how even those of us who are attempting to fight this, for whom it has become an almost daily part of life to be arguing against these images and these symbols, can become toughened to the whole scenario. How much worse is it for small children to be influenced by images of this?

• (2020)

I realize that my time is running short and I want to close by again reiterating my support for the hon. member's motion. I would also like to say that I particularly liked the closing portion of his motion which says: "Without interfering unduly with artistic freedom and freedom of the press".

Of course freedom of expression and artistic freedom are very important. However, I do not think that any of us—I know that the member would agree with me on this—would stand here and say that artistic freedom or freedom of the press would be impinged upon if we said that the time has come to stop the brutality and the degradation of women, children and people in general in the commonplace production of media events.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I am also pleased to rise to support this motion put forward by the member for Regina—Wascana.

It is important for all members of this House to reinforce our commitment to eradicating violence against women and children. This is one step we can certainly take on the road to reaching that goal.

As the member who spoke before me said, the status of women subcommittee dealt with a number of issues around violence against women. This is one issue that was discussed at our committee hearings.

Some of the witnesses who appeared before the committee expressed concern about the powerful role of the media in socializing young people. They recommended that a component of the high school curriculum for young women and men should include the study of media representations of violence and the effect it has on all of our behaviours.

Judith Posner of the Association for Media Literacy informed the committee that violent imagery is portrayed by a variety of media, most of which is mainstream. Many of us think that it is not mainstream media that portrays this violence. However, most of it is mainstream: popular films, fashion advertisements, rock videos and pornography, which the member mentioned specifically in his motion.

The common themes or depictions in violent media images typically show an imbalance of power between men and women, as well as the presence of coercion. They intimate that women enjoy pain, violence and subjugation.

In certain popular slasher films, girls and women who are independent are more often the victims. They are usually the victims. Independent young women are shown to be brutally murdered in these films. The message is that you will pay a price for your autonomy and your independence.

It is important to talk about the incidents of violence in our society. Rarely does a day go by in this country in which Canadian media do not carry reports of sexual and physical assault perpetrated by trusted persons and strangers against girls and women.

The frequency with which incidents of this nature are reported in the media would leave most Canadians to conclude that violence against women is indeed a serious problem in Canada. In fact, the gravity of the situation is far greater than the number of cases in the news reports would suggest.

Research has shown that most women who are victims of violence do not report their victimization to the police. As a result, the actual incidence is largely invisible and absent from official crime statistics, and by extension from media coverage. Indeed, sexual assault and wife assault are two crimes known to be significantly under-reported relative to other crimes of violence.

A Canada-wide survey published in 1985 found that fewer than 40 per cent of female sexual assault victims and less than half of wife assault victims had made a report to the police.

Studies show us that women's reluctance to report violent attacks against them is related to a fear of retaliation that would result in further violence or death, a lack of confidence in the police, the courts, and feelings of guilt and embarrassment.

The national reporting system in Canada, the Uniform Crime Reporting System, contains statistics on criminal incidents in Canada. However, this data base includes only crimes reported to police, and records of reported incidents of wife assault are listed as general assaults.

The UCR does not contain descriptive information about the relationship between victims and offenders or about the circumstances of the offence which would identify incidents of violence against women in the family.

It is very important that we talk about the numbers of people who are victims of violence in our society, the children and the women. The member for Regina—Wascana has mentioned it but I will reiterate some of the statistics.

In 1989, 12,970 sexual assaults were known to the police. Between 1983 and 1989 the number of complaints of sexual assault made to the police increased by 93 per cent. Every 17 minutes there was a sexual assault committed in Canada and 90 per cent of the victims are female. One in four women will be sexually assaulted at some time in their lives, half of those assaults before a young woman reaches the age of 17. Between 63 per cent and 83 per cent of female victims will be sexually assaulted by someone they know, someone they trust.

There are between 14,000 and 18,000 sexual assaults in the province of Quebec alone every year.

We know that the incidence of assault against women, of violence against women, is higher for aboriginal women and disabled women. It is higher for any woman who is doubly disadvantaged in our society. The more vulnerable a woman is the more susceptible she is to violent attack.

Part of the motion presented by the member reads: "to protect innocent Canadians from being exposed to such portrayals". I would suggest that it is also important that we protect the women and children from the effect these portrayals have on the way we are treated by our society.

It has long been denied that there is any connection between violence in the mass media and actual acts of violence against women and children. However, it has been clearly shown that violence is on a continuum. Seemingly small incidents of sexism such as sexist jokes allow people to feel they have the right to put women down. This opens the door to greater acts of sexism and discrimination, right on up to physical violence and unfortunately sometimes to murder.

The portrayal in the media of women as objects, the portrayal in the media of women as subordinates of men, and the portrayal of women being violated have profound effects on our attitudes in society. They have profound effects not only on children but, as the member for Halifax said yesterday, we all become somewhat immune to the barrage of sexist advertising and the violence in the scheme of that advertising.

I am pleased to support the member's motion. I congratulate him for bringing it forward and I look forward to it being debated in committee.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am delighted to speak to this motion that reads:

> That, in the opinion of this House, a full review of the media's portrayal of violence towards and abuse of women and children, should be held by an appropriate committee of the House of Commons with the aim of making recommendations as to how better to protect innocent Canadians from being exposed to such portrayals without interfering unduly with artistic freedom and freedom of the press.

I also congratulate the preceding members who have spoken on the issue for the passion with which they support the motion.

The member who introduced this motion, the member for Regina—Wascana, has identified for us in a nutshell the magnitude of the problem of violence against women and children. This is truly an indictment of a serious ailment that exists in our society.

He has identified in an outline the causes and he has identified the media's portrayal of violence as a cause of violence against women and children. In so doing he has identified another group of causes of violence, those that are not media induced.

• (2030)

I should just say that this House has heard on several occasions the many non-media causes of violence, such as poverty. It is known that those who live in poor neighbourhoods, those who are poor are exposed to unusual behaviour which contributes to violence.

Recently I am told that there has been the depiction on one of our postage stamps of the picture of Satan. Now that to me, not in a religious sense, introduces the question of cult. It is known medically and psychologically that cult can contribute to violence. We know the tragic results of such a phenomenon.

We have to appreciate that children's games available to the public can damage the mental faculty of children and contribute to violent behaviour. It is known; it is a medical phenomenon.

As we look at the causes of violence, both the non-media and the media causes, another question has to be asked as to what is the interactive role of both, that the sum of two influences can be more than just the additive sum, but in fact an interactive sum that accentuates the gravity of the problem.

So the question then naturally has to be asked: What types of portrayal by the media inflict adverse effects on children? To begin with, a committee that will study this problem naturally will review the literature available to it.

I am conscious of one study done at the Children's Hospital of Winnipeg, where I used to be. In fact, it concludes that violence portrayed on television does truly contribute to occurrence of violence among children.

Second, has there been any nation-wide study in Canada about the magnitude of this problem that we may not know? If such a study has not been done yet, certainly the federal government must be challenged to undertake such a study, to invite proposals for such a study from among our experts in the field so that we can undertake to define the actual magnitude as well as the available solutions that already exist.

A third question I would like to ask also is: What good value, if any, does violence portrayal serve? Is there any at all? That must be answered. Having said that I am conscious that, by and large, our media are very responsible, that they truly have at heart the welfare of our citizenry. Equally there are those who are motivated by greed, motivated by money and deliberately induce media violence. That, of course, must be looked at.

Violence is a major public health problem. Indeed, it is a major public health hazard that destroys not only the present, but the future generations as well.

So I welcome this motion and if, in fact, we would not take a vote on this motion, then I will make an undertaking to this House that I will bring this to the attention of the standing committee on health and welfare and to the subcommittee on health so that this issue, indeed, does not die after this motion has been debated in this Parliament because there is a bigger question. What can government do to solve the problem once identified, and meanwhile, what services do we provide so that those who have already been victims may now be attended to, healed and cured, so that we will only be attending to the future victims.

Mr. Schneider: Mr. Speaker, on a point of order, I believe that we, as parliamentarians, must make a statement on this issue.

While negotiations or discussions have taken place with members of the other parties, I believe that unanimous consent may be obtained to adopt the following motion and because of the expressed interest in the media's role, the motion reads as follows:

> That the Standing Committee on Communications and Culture do undertake a full review of the media's portrayal of violence towards and abuse of women and children with the aim of making recommendations as to how better to protect innocent Canadians from being exposed to such portrayals without interfering unduly with artistic freedom and freedom of the press.

This is moved by myself, seconded by the member for Westminister—Burnaby.

Mr. Pagtakhan: Mr. Speaker, it was indicated that the motion was seconded by the member for Burnaby. I would just like to be assured that the member from the Liberal Party has been consulted. Do I get that assurance?

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

Some hon. members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Paproski): It being 8.35 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

The House adjourned at 8.35 p.m.

HOUSE OF COMMONS

Thursday, February 13, 1992

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL REFORM AND PARTY FINANCE

TABLING OF ROYAL COMMISSION REPORT

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I have the honour to table, in both official languages, the report of the Royal Commission on Electoral Reform and Party Finance.

* * *

ABORIGINAL AFFAIRS

SECOND REPORT OF STANDING COMMITTEE

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Aboriginal Affairs.

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response thereto within 150 days.

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

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I have the pleasure of tabling a petition signed primarily by the residents of Burns Lake, B.C. in my riding.

The petition expresses the ongoing concern of all Canadians over this government's bringing in of the goods and services tax.

HOUSING

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, I have the honour of presenting two petitions pursuant to Standing Order 36.

The first petition is signed by residents of the city of Winnipeg. They humbly pray and call upon Parliament to recognize housing as a shared provincial-federal responsibility, and request support for the federal non-profit co-operative housing program and to maintain the Canada Mortgage and Housing Corporation.

PENSIONS

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, I have another petition from residents of the city of Winnipeg. The petitioners request that Parliament consider amending all federal superannuation acts in which inequities exist to allow for the retroactive pension credit splitting for all divorced spouses so that they may receive one-half of the federal pension credits accumulated by both spouses during the years of their marriage.

• (1010)

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is an honour to present a petition on behalf of a number of the residents of the North Thompson valley in British Columbia who are concerned now, as they have been for many months, about a proposal to divert the North Thompson River.

They ask that we maintain a very clear position and that the Government of Canada oppose such a venture.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I have a second petition regarding financial support for the Royal Canadian Mounted Police. The petitioners, all from Kamloops, are asking that the federal government and the provincial government take whatever steps are necessary to ensure an adequate level of policing.

DON RIVER

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I am happy to present petitions duly signed by many constituents of Broadview—Greenwood. The petitioners continue to hope that the government will honour the commitments it made in the green plan and funding statements that it made earlier in attempts to reclaim the Don River which flows through my riding, the most polluted river in all of Canada.

The petitioners hope that by reclaiming the Don River, we can use it as a model of our ability to reclaim all the dirty rivers in this country.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the following questions will be answered today: Nos. 148, 149, 150 and 195.

[*Text*]

Question No. 148—**Mr. Berger:**

With respect to the subsection 9(1) of the Immigration Act which requires that immigrants apply for, and obtain a visa before appearing at a Canadian port of entry, what is the average time required to process regulations exempting an individual from this requirement?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Persons applying for landed immigrant status from within Canada must meet statutory requirements which include medical and security checks as well as requiring an Order-in-Council to exempt these applicants from the requirement of subsection 9(1) of the Immigration Act.

The average processing time for Order-in-Council visa waivers has fluctuated over the last two years in response to immigration levels achievement and volume. At this point virtually all visa waiver Order-in-Council requests submitted by applicants prior to January 1991 have been completed, indicating an average processing period of 10 and 12 months.

Question No. 149—**Mr. Berger:**

What is the average time which elapses between the delivery of a completed application form by an individual seeking permanent resident status who is presently in Canada, and the actual landing of a successful applicant?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Persons applying for landed immigrant status from within Canada must meet statutory requirements which include medical and security checks as well as requiring an Order-in-Council to exempt these applicants from the requirement of subsection 9(1) of the Immigration Act.

The average processing time for Order-in-Council visa waivers has fluctuated over the last two years in response to immigration levels achievement and volume. At this point virtually all visa waiver Order-in-Council requests submitted by appliants prior to January 1991 have been completed, indicating an average processing period of 10 to 12 months.

Question No. 150—**Mr. Berger:**

Is the Department of Employment and Immigration contemplating any administrative or legislative changes to facilitate the processing of applications for landed immigrant status received from within Canada?

Hon. Bernard Valcourt (Minister of Employment and Immigration): There are presently no plans to amend subsection 9(1) of the Immigration Act which requires that immigrants obtain a visa before appearing at a port-of-entry.

Persons applying for landed immigrant status from within Canada must meet statutory requirements which include medical and security checks as well as requiring an Order-in-Council to exempt these applicants from the requirement of subsection 9(1) of the Immigration Act.

Recently, Employment and Immigration introduced administrative measures, namely automated processing and tracking of Governor-in-Council submissions, to improve the processing of applications for permanent residence by persons in Canada.

Employment and Immigration will continue to develop procedural changes to improve the processing of these applications.

Question No. 195—**Mr. Fisher:**

1. What is the current status of each Human Rights complaint emanating from within the CRTC., that is being considered or reconsidered before the Canadian Human Rights Commission or Tribunal?

2. Who are the individuals hired, what services were rendered, including a breakdown of monies paid to each individual working for the CRTC., from 1986 to present, for each internal grievance procedure and each Human Rights complaint emanating from the CRTC workplace.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I am informed by the Department of Justice and the Canadian Radio–Television and Telecommunications Commission as follows:

1. There are four complaints emanating from within the CRTC The Canadian Human Rights Commission is considering three and the Human Rights Tribunal one.

Of the three complaints before the commission, one was just received and the investigation has just started. As for the other two, they originated from the same individual. The investigation of these two complaints started after the attempt of a negotiated settlement failed.

As for the case before the Human Rights Tribunal, a settlement was reached between the parties, therefore the tribunal has ceased to inquire into the complaint.

2. The following listing is set out by year, category of incidents, company name, contractor's name, description of work to be performed from contract, and cost to the CRTC:

1989

CANADIAN HUMAN RIGHTS

Blake, Cassels & Graydon Russell Juriansz

"For Professional Services rendered in advising in regard to an investigation pursuant to section 59 of the Canadian Human Rights Act."

$8,008.06

1989

GRIEVANCE

Cooper Consulting Barry Cooper

"The work shall consist of two meetings with CRTC Personnel and other CRTC representatives to conduct a background study and provide advisory services with respect to classification grievances and processes."

$250.00

1990

CANADIAN HUMAN RIGHTS

Blake, Cassels & Graydon Russell Juriansz

"For Professional Service rendered in advising in regard to an investigation pursuant to section 59 of the Canadian Human Rights Act."

$21,890.94

CANADIAN HUMAN RIGHTS

Blake, Cassels & Graydon Russell Juriansz

"For Professional Services rendered in reviewing, rendering an opinion, complete preparation for Tribunal, researching and advising management in regard to a complaint pursuant to the Canadian Human Rights Act."

$25,816.38

CANADIAN HUMAN RIGHTS

Blake, Cassels & Graydon Russell Juriansz

"For Professional Services rendered in finalizing the settlement in this matter."

$788.52

1990

GRIEVANCE/CANADIAN HUMAN RIGHTS

William Egner

"The work shall consist of performing a file review of three (3) personnel cases. This review will include recommendations and briefing to the Director General of Personnel, and to the Secretary General."

1,500.00

[*Translation*]

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

PUBLIC SERVICE REFORM ACT

MEASURE TO ENACT

The House resumed from Tuesday, February 11, consideration of the motion of Mr. Loiselle that Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be read the second time and referred to Legislative Committee H; and the amendment of Mrs. Catterall (p. 6131).

Mr. Yvon Côté (Richmond—Wolfe): Madam Speaker, Bill C-26, tabled by the President of the Treasury Board, could have a major impact on Canadians and, more specifically, on the Public Service. I would like to discuss the preliminaries to this legislation which were broadly based on wide-ranging consultations across Canada and, more specifically, throughout the Public Service. I intend to explain how this was done by a government that must be sensitive to public opinion if it is to gain the public's support. And finally, Madam Speaker, I will also indicate how this reform can have a major impact on the Public Service, on federal services as such and on Canadians.

Madam Speaker, as you know, it is not easy to motivate members of an organization the size of the Public Service, which has more than 200,000 employees. It is not easy to get such a group actively involved in a wide-ranging reform program and the implementation of that program. However, when we consider the process and the history of Bill C-26 now before the House, and when we look at the extensive discussions that have taken place, the consultations and the meetings, we are impressed by the tremendous participation shown at all levels, both in the Public Service and among the general public.

Did you know, Madam Speaker, that this vast consultation campaign involved setting up task forces that worked systematically? For example, on 10 occasions, more than 300 people met at one time; in all, 3,000 people made 300 recommendations. Did you know that in addition to these discussion groups, there were innumerable conferences and workshops? There were telephone surveys. There were informal contacts between individuals and even the unions, officials and members alike, participated with the government people. There were also consultations in the private sector. In short, in addition to the 3,000 people whom I just mentioned, 7,600 more were involved in these discussions.

You already see that the consultations were held in a structured but fairly spontaneous way with unexpected developments, reactions and some wonderful recommendations. Throughout this consultation process, letters were sent and more than 1,700 people who would have been unable to take part in these consultation sessions reacted personally by letter to the President of the Treasury Board and his reforms.

All in all, summing it up, 12,000 to 13,000 people had the conviction to participate, and worked on sharing their visions of what the reform should be.

I am therefore pleased to note, that this major reform bill, C-26, was developed in such a systematic, democratic and wide-ranging way. This leads me to say that this bill cannot help reflecting to a great extent the goals of union members, public servants, section heads and each department in their long-term vision of what such a reform should be. But the purpose of having a consultation was not only to come up with a white paper.

Everything that was collected and collated from these 13,000 people was passed on to the Treasury Board, which then produced the white paper. With this document, which was tabled several months ago, we returned to the grass roots, which expressed its comments, expectations and concerns, and moved on to the second phase, raising awareness. Since the recommendations had been accepted in whole or in part, we consolidated them and went back to find out what people thought of it. Here again, more than in phase 1, we gave out 247,000 brochures, 11,000 posters, 19,000 reports and 344,000 copies of the white paper, throughout the Public Service and to the public, because ultimately, the public will benefit from all these reforms.

All in all, 800,000 documents arising from this white paper were distributed, giving all their readers a chance

to react or at least to find out about the proposed policies. That's not all. In addition to these written documents, Treasury Board and its president took their concern for the democratic process, information and awareness farther, by involving group leaders. They visited senior managers in various departments; 294 groups were involved in this process. Furthermore, the President of the Treasury Board himself gave several speeches in various places, again to ensure the dissemination of information. Two of them were even given before labour groups. Finally, 13 joint committees were set up.

As you can see from all this, the information and awareness phase was as extensive as the first one, the information gathering phase. Did you know that, in the Correctional Service alone, 3,500 proposals were put forward? Did you know that more than 4,500 came from Health and Welfare Canada? Does this not go to show the level of interest and participation of our civil servants from various departments across the country? Is this not solid, fabulous proof of their beliefs and concerns?

• (1020)

At the same time, it shows the commitment of this government which, throughout its mandate, while it introduced bold and hard changes, it never failed to dig out the facts and then release this information to better inform the public about these reforms. And that is great.

That is what brings me to the conclusion in this first part, that this approach was great. I have to thank the President of the Treasury Board, the hon. minister, for conducting such a fine operation.

Aside from this campaign and process, in closing, I would like to mention the major thrusts of this reform: to increase civil servants involvement, to give them a sense of belonging, to allow them to take part in the assessment of their own work environment. Isn't this great? So, civil servants' participation is essential, since they are the heart and soul of the federal government. What we stand to gain from all this is obvious.

Besides a greater sense of belonging and a more efficient public service, you can easily imagine, Madam Speaker, how much Canadian citizens and taxpayers will benefit from this increased efficiency and sense of belonging as well as from improved services.

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I am pleased to speak on the amendment of the hon. member for Ottawa West, seconded by the hon. member for Glengarry—Prescott—Russell, that Bill C-26, an act to amend to the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be not now read a second time but be read a second time this day six months hence.

I acknowledge that there has been some significant dialogue and important participation. There is still much to be done because if there were not, we would have an acknowledgement on the part of the workers, part of the people that it affects, that this is not so. There are still some concerns out there.

If this bill were adopted, it would permit an indepth study of the legislation.

I wish to say a few words about the Public Service before I attack the substance of the bill. I believe and many of my colleagues also do in the importance of the Public Service. I am a former public servant and I have a great deal of respect for them. Obviously, like any other group, we have people who are more committed, more talented than others. At the same time, the majority are very capable men and women who devoted much of their lives and their talents to our country in order to attempt and respond to the will of politicians in Parliament and to deliver the best services possible. I salute them.

It offends me to see that the Public Service can become a target for political parties of government. We sometimes forget that the salaries they have, the pensions they have acquired over the years, and other benefits as well, are not ones they have granted themselves. They have negotiated them with government that at some point in time has in fact said yes.

My objective, and I hope it is shared by many others, is not to remove some of those benefits or lessen them or somehow *diluer* the rights they have acquired over time,

but we should be looking at how it is that we can in fact extend that to other Canadians throughout the nation. Surely that is a much preferred way of responding than it is to attempt to diminish—I say it again—the rights and the benefits that they have acquired over time. I want to point out that which they have they were granted by governments and it is too easy for them to become targets of politicians.

I want to say as well that I am offended when they become the scapegoats, often times, for the failures of political people or governments. I think the most flagrant example of that was the Al-Mashat affair where in fact they were used as *bouc émissaire si vous voulez.*

I want to point out as well that this bill, in my opinion and in the opinion of many others, will not create the right kind of climate or environment for change and growth to meet the needs of Canadians and to meet the needs of a changing Canada. I think that is extremely serious. There is an attempt to streamline. No doubt there is a need to streamline the way resources are managed by the Public Service and to simplify and expedite the collective bargaining process. I think most people would agree, but where we probably disagree is: Is this the best approach? Is there still more to do? What is it that can be done in order to reach those particular objectives?

There is no doubt that the new legislation does make some positive contributions. There has been some dialogue, as I pointed out. There has been some participation, but in our opinion, not sufficiently so. There are still some people who are very anxious, who are angry, who are upset, who do not understand the total agenda of government. Another positive feature, quite apart from some important participation and dialogue, has been employment equity. Equal pay for work of equal value has been addressed, but we claim it is still too vague, that it needs to be more precise.

Let me talk about the reservation quickly. Some of the proposed amendments in the bill, such as those regarding appointments, layoffs and deployments, are highly controversial. We really need to see whether or not that controversy is justified. The proposed changes would serve to give managers greater authority to hire, fire and transfer employees without adequate appeal and redress mechanisms. Surely that is a very important gain that has been made, not only by this group, but many others. We do not want to go back. There is no assurance that the actions of managers would support the merit principle. That is the fundamental flaw. We need to have assurance that the merit principle will in fact continue to be the very centrepiece of appointments to the civil service.

Deputy heads would be permitted to move employees into jobs without selection boards, without appointments, through deployment. The legislation would also allow the government to contract out work while laying off incumbents in these positions. Some federal Public Service unions contend that the contracting out of work does not save money. In fact, it would cost more. In many instances it could be done more cheaply and more efficiently by the current Public Service employees.

I find it interesting that when I asked on the Order Paper for a response to how many contracts were in fact awarded and what was the total value, I was not given that information. Supposedly it has not been accumulated. I find that shocking. Why do we not get the facts so we can put them on the table and look at them in a rational way?

The bill would make it easier to hire casual employees for limited periods. Continued turnover of employees which would result from this practice could cause a lack of continuity and lead to a decline in service to the people. Surely that has got to be our first priority. It could in fact run counter to the objectives of Public Service 2000.

The public accounts committee of the House of Commons, among others, has pointed out that there has been inadequate consultation. The government says it has been adequate, but the public accounts committee says it has been inadequate, inadequate with the interested parties before the bill was drafted and presented to Parliament.

• (1030)

My party is urging that the government establish a special parliamentary committee to consider the principle of the bill as well as its substance in the context of Public Service 2000.

We are concerned as well that there have been a number of extremely dysfunctional labour disputes. They have disrupted the service that has been rendered to Canadians.

The government has been chastized and will continue to be for its mismanagement of labour relations. It is this government that has caused the first ever massive walkout of public servants in the history of Canada. The

relations were not sufficient to be able to hold them together to work out a sensitive and sensible agreement.

There are many public servants out there who believe passionately and unequivocally that the government cannot be trusted and that it does not listen. That is one of the problems we are in fact experiencing. If there is lack of trust and confidence, the public servants are extremely nervous about what has been happening.

I have another concern. I believe that this is another example of the dismantling of one of our institutions of nationhood. We are weakening the Public Service. It is not unlike the dismantling of VIA Rail, Air Canada, Canada Post, CBC; privatization and contracting out; or the use of short-term employees. All of this will weaken the Public Service as an instrument that serves the public and carries out the will of Parliament in all areas of the country. I am extremely concerned about that.

My party, the Liberal Party of Canada, believes that Canadians deserve acceptable quality service throughout the nation, delivered efficiently by a professional, non-partisan Public Service which treats all employees with respect and fairness and is responsive to the needs of Canadians.

I am concerned that we may be departing in a significant kind of way from the merit principle and that this may lead to additional patronage and favouritism in the Public Service.

[*Translation*]

I realize that the legislation before us will not necessarily protect the merit principle, in fact I believe that it will not protect it at all. It will be possible to appoint people, to transfer employees and to do many things that cannot be done now and that I think will truly weaken the Public Service.

[*English*]

There have been court orders and a court case where the actions of the Government of Canada have been struck down. There was the moving of employees without full consultation, without accommodating them, which is another serious flaw.

There will be a new class of casual employees who can be hired or fired within 24 hours. Managers will have a great deal of power to be potentially insensitive to people who have been in the Public Service for a long time.

As I pointed out, the Auditor General has in fact chastized government for mismanagement. My great concern is that over all not only the merit principle may in fact be simply thrown aside but the Public Service Commission, which in fact as my colleagues have said is the watch-dog, can now become very weak and perhaps even the lap-dog of government. That would be unfortunate.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, it is a pleasure for me to rise today to speak in the debate on Bill C-26 which incorporates in legislation a lot of the principles and ideas included in the PS 2000 review of the Public Service by this government.

There is no question that the Public Service needs modernization, that it needs streamlining, and that it needs a reduction in a number of reclassifications. Most of all, what the Public Service needs in my opinion is a radical decentralization of decision making.

It is my opinion that a lot of the pressures for decentralization of powers to the provinces currently under discussion in the constitutional debate could be accommodated by a *decentralization* of decision making within the federal Public Service so that decisions made by the federal government and the practices which it carries out in the *regions* would in fact be subject to decision making at local and regional levels rather than centralized in Ottawa.

However, I believe the number one problem with the Public Service is the problem of morale. Certainly an organization of that size, of that complexity and of that importance cannot function at the level of morale that exists today.

Why does that low level of morale exist? I think it is because of the feudal, backward, 19th century attitudes this government has taken toward its own employees. Certainly that is the kind of attitude the government took during the strike last summer which radicalized a group that never before had contemplated those kinds of actions. It was really despicable to see this fine group of people used for partisan ends, in the case of the prairies to pit farmers against working people for the political ends of the government.

This kind of an approach was further reinforced in the way the government has gone about introducing this whole notion of Bill C-26 and PS 2000. Contrary to every modern management technique which says that employees have to be involved from square one, from day one, in designing the work flow, the work place and the management structures, this government has chosen to ignore the input of its public servants and their organizations and adopt a top down approach wherein a new management structure is to be imposed on the work force. Surely all modern management theories say this is exactly contrary to the way we should go about it.

Before I go on to some of the problems I see in this legislation, I would like to pay tribute to the public servants in my constituency of Prince Albert—Churchill River. These people do a tremendous job on our behalf, on behalf of the taxpayers of Canada and on behalf of the Parliament of Canada as they carry out the duties assigned to them.

In La Ronge and Prince Albert there are manpower offices that are very much understaffed and very much under pressure because of the increasing workloads that fall on them as a result of the very high unemployment rates in that region.

We have an Indian Affairs office in Prince Albert that I think is doing a commendable job in restructuring itself to accommodate the whole movement to self-government by Indian people and their organizations.

We have a Health and Welfare office in Prince Albert that has responsibility for the delivery of health and welfare services throughout half the province of Saskatchewan, a huge geographic area with very difficult circumstances in many cases. It is doing a commendable job while at the same time facilitating the transfer of responsibilities to the Indian people.

We have a Forestry Canada office that has some very creative people in it who are working in partnership with provincial governments and various stakeholders in forestry to implement the model forest program and the federal-provincial agreements. It provides a real stimulus to the forestry industry in our community. A former minister of that department is here feeling good about what I am saying, and I think he should. It is one of the commendable developments we have seen in our community.

As well we have the Saskatchewan penitentiary which employs large numbers of people who are working very hard and in very difficult circumstances. That institution has an awful lot more inmates than it was originally designed to accommodate. There are fewer staff members than there should be. There has been significant contracting out within that institution, which both creates instability and a situation where there are people in the institution who are not as professional, I do not think, as the people who are part of the Public Service. That creates a real security dilemma within that institution and something that the government needs to look closely at.

There is also the Prince Albert National Park, one of Canada's finest parks. The work force there is undermanned but still doing a tremendous job on our behalf protecting one of the unique environments in the boreal forest in an exemplary fashion.

There are outposts of other departments, Immigration and so on, with just a few people in them who often do a very good job in isolation.

However, there are significant problems with this legislation. I think a lot of them stem from the fact that the government is trying to do by legislation things that it cannot win in the courts. This further serves to undermine the morale of public servants. As well it is a fairly despicable way to go about making changes. Some of these problems involve the threat to the merit principle, the danger of patronage and all evils associated with a non-merit type approach to hiring.

• (1040)

In this legislation we contemplate something called deployment. Under the concept of deployment there will be huge classifications created within which managers have the power individually to reclassify people, to move them from one job to another, and to fill positions without competitions.

Recently the government tried to do that under existing legislation. It issued something called the transfer exclusion order which was intended to waive the merit principle for the transfer of individuals from one position to another at the same group and level.

The Public Service Alliance challenged this attack on the merit principle and recently received a decision from the Federal Court of Canada which said that the federal government could not do it. This was a mere two weeks ago, and now the government is pushing forward legislation which would permit exactly the kind of practices the Federal Court of Canada said would undermine the merit principle, something that has been at the heart of our Public Service for decades and something I think all members of Parliament would endorse publicly.

We also have a problem within this legislation of condoning and promoting the whole notion of contracting out, which is really just a code word for privatization of the Public Service.

Again we have a situation where the government lost a case in court and therefore is trying to do by legislation what it could not win by normal channels.

The government brought forward a proposal to transfer out work, to contract out work, and in March 1990 the Public Service Staff Relations Board ruled that employees lost their jobs because the employer contracted out for service, a complete reversal of what it was obliged to do under the policy. In other words the Public Service board ruled that the government could not lay off workers because of its contracting out function.

However, within Bill C-26 we now see that where the services of an employee are no longer required by reason of lack of work, the discontinuance of function, the transfer of work or a function outside the Public Service, the deputy head in accordance with the regulations of the commission may lay off the employee.

In other words, the government has the ability to privatize job functions, to privatize jobs on a *carte blanche* basis. That leads to further patronage, that leads to further undermining of the merit principle, and that leads to a further degradation of the Public Service and its efficient functioning.

The last problem I have with this legislation is the whole question of pay equity. To be brief, the government talks a good line on pay equity, on equal pay for work of equal value, but we see right now before the Human Rights Tribunal government lawyers stonewalling every attempt to bring to bear the principles of equal pay for work of equal value.

This PS 2000 concept envisioned in Bill C-26 will institutionalize and create such confusion in the Public Service that it will take another 10 years to bring in pay equity.

In conclusion, I would like to say that we need a Public Service that is on side. We need a Public Service that is appreciated. We need a Public Service that is involved in the day-to-day design of the work place, and we need a Public Service that is professional and non-partisan. I think all those things will be undermined by the legislation before us.

[*Translation*]

Madam Deputy Speaker: The hon. President of the Treasury Board would like to say something. I am sorry, but questions and comments are not allowed at this time, only 10-minute speeches. I believe that the hon. minister has already participated in the debate.

Consequently, the hon. member for Dartmouth has the floor.

[*English*]

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I am going to try to limit my comments today. I think I have 10 minutes on debate.

I will be up a little later on today to talk about some of the other major problems that I have with the government's approach in dealing with the Public Service of Canada. I want to speak specifically at this point in time about the motion that is before us.

It is affectionately known by those in this House as a hoist motion because it effectively takes this piece of legislation and it holds it in limbo, in suspension for a period of time.

The amendment was put forward by the critic of the Liberal Party. One of the reasons that I want to speak about this is because of the process that the government did not go through in arriving at this particular piece of legislation.

It was not that long ago the chairman of the public accounts committee indicated that before anything be done with the white paper, or the discussion paper about the Public Service of Canada, an all-party committee should be struck in a non-partisan fashion.

It would sit down, go through that particular discussion paper and formulate a piece of legislation that would

look after all of the various interests put forward by those sitting around the table. Most important, it would have established a principle that before the federal Public Service is fundamentally restructured, there would be an open process by which everybody in this House could contribute.

Unfortunately, the way the House works is that when a bill is presented, no matter how bad the bill is, the government and its people on the other side dig their heels in. Somehow, it is a matter of pride that if there is something wrong with the bill then we are supposed to close our eyes and go full speed ahead.

The chairman and the public accounts committee made this very clear. The process they thought should have been followed was that the discussion paper should have been put forward. The committee should have invited input from those very public servants and other user groups, from Canadians, on what was the best structure and most efficient structure for our Public Service. But the government chose not to do that. The government chose not to have that level of consultation.

So we now have before us a bill, which as you heard from other speakers leading up to this debate, is regressive. It is a bill which is fraught with difficulties. It is a bill that literally thumbs its nose at the contribution and the worth-while efforts of our Public Service.

The hoist motion is one that I am going to support. If the government would agree with us, it would give the government an out. My goodness, when you are at 12 per cent in the polls I think sometimes you might want to do the right thing instead of the stubborn thing. Maybe it would go up a point or two.

If the government would agree to this hoist motion it would give Parliament an opportunity to sit down and to write a proper bill dealing with the restructuring of the federal Public Service, one that could probably be supported by all members, or most members in this House, and a bill that would be supported by the public servants themselves.

The problem is indicative of the treatment this government has levelled at Canada's federal Public Service. What this government has done is it has treated the federal public servants in this country as goats. Everything that this government has done that is wrong it wants to turn around and somehow blame a federal public servant for it.

My colleague from the New Democratic Party just said it a few minutes ago, we saw what it has done. It has caused the first general massive strike in our history of the federal Public Service. That is what it did a few months ago. Those very same individuals, and they are not radical unionists, are people who live on your street, Mr. and Mrs. Canada. That is who they are. All they are trying to do is an honest day's work for an honest day's wage.

This government, because of its crazy economic policies and the deficit that it drives up every second you breathe in this country, its tax policies, all those things have created a climate that it has to strike out at somebody. So who does it strike out at? That is right. Those people who the government made goats of, those federal public servants in this country.

If you listen to the government opposite you would think the federal public servants are all getting $60,000 a year, work 25 hours a week and get a 50 per cent Christmas bonus. Well, it is not the case.

I can look around right here and see federal public servants who look after us in the House. There are not many of them who are making what I would call an over-generous allowance for the days that they work in this place, or in federal offices and institutions across Canada.

The government would have us believe that they are all fat cats in the federal Public Service and that somehow they are less deserving of fair treatment by this government than other citizens of Canada would expect from their government.

• (1050)

We forget that the people it forced out on strike with its zero, three and three policy were not $50,000 and $60,000 a year employees. By and large, they were women in lower income groups. They were women who were getting paid $17,000 to $21,000 or $22,000 a year.

They were forced out on strike because the government would not listen to them. It will take some of those women as long as one year or one year and a half to make up for the money that they lost. There was no gain, but they finally said: "Listen, we are not going to take this type of nonsense, even if we are going to lose money".

Somebody has to stand up here and say to this government that we demand fair treatment. We do not look for anything that we do not deserve, but we demand fair treatment. But this government has poisoned the atmosphere between those tens of thousands of public servants across this country and their own government, their own employer. It has practised types of labour relations that if they are not illegal they should be made illegal.

The government came in with this bill that we are currently debating. It put things in the bill that certainly, in my view at least, are going to lead not to a Public Service that is the watch-dog on government, but could lead to a Public Service management or senior officials who become the lap-dog of government.

There are more clauses in this particular bill that are offensive than probably in any bill that I have seen since I have been here. If you really look at it, the government had plenty of opportunity to do the right thing. It had plenty of opportunity to sit at the table with the Public Service.

I am not in government; I am in opposition. But somehow I have a sense of proprietorship over the Public Service of Canada because I am one of the people who vote in here on bills and regulations and legislation that affects Canadians. So I feel some collective sense of responsibility before we go in and restructure the Public Service to talk to those people who are going to be affected the most. This government obviously does not think that that should be the case.

The Conservatives have mismanaged their own credibility, these guys on the other side, that is what they have done. They are down to, what is it today, 14 per cent, 10 per cent, whatever it is.

An hon. member: It's 12 per cent.

Mr. MacDonald (Dartmouth): It is 12 per cent is it, and it is dropping fast I understand, is that right? Dropping like a stone.

This particular bill is not one that I am going to be proud to say was passed through Parliament if indeed it does get passed while I was sitting here. I have a lot of public servants in my riding. They deliver damn good service for the little bit of money they get. They deserve a heck of a lot better treatment from the Government of Canada, their employer, than what they have received over the last four or five years from this gang opposite.

Madam Speaker, how much time do I have left here? Am I getting close?

An hon. member: You have 20 more minutes.

Madam Deputy Speaker: One and a half.

Mr. MacDonald (Dartmouth): One and a half minutes. In conclusion to the members opposite, you have an opportunity here to do the right thing.

I do not like to lecture you, but you have an opportunity to do the right thing. I do not even know if there are 150,000 Canadians left who like the Tory government opposite. But there must be one or two people that the government members might be able to pull back onside by doing the right thing so they will not be embarrassed the next time they have to call up a CEC office.

When you annoy the people who work for you, they do not do the type of work or give that extra special push.

I ask the government to look at this amendment and to see the sense in the amendment, to pull this bill away from Parliament, to give it to a special committee of Parliament, a non-partisan approach to restructuring our Public Service in this country, and to invite all of the interested players in.

In that way this place will work properly and we will have a bill that adequately reflects the needs that we have as a nation in our Public Service and recognizes the great contribution that those people who serve in our Public Service make toward Canada.

Mr. Jim Peterson (Willowdale): Madam Speaker, first of all, let me say that in my experience as a member of Parliament I and my staff have been very pleased with the service we have received from individual public servants working both here in Ottawa and in my riding of Willowdale. They are very conscientious people. They care about their jobs. They care about the service they give; not everyone of course, but then not all members of Parliament are up to scratch. However, by and large we have been extremely well served on a day to day basis by our public servants who are trained, conscientious and caring.

Let us give the government some credit for having recognized that there are problems within our Public Service. A mountain of red tape and a bureaucracy and a

methodology have built up which actually hampers and retards the ability of our public servants to do the type of job they are equipped to do and which only they can do and want to do.

For example, staffing procedures are so complicated today in the Public Service that they take three times as long as the private sector. If you are going to switch a person from one job to another, it is estimated that it takes 105 days to staff a position in the Public Service using internal competitions. That is one third of a year. Even in Crown corporations the time taken is about half of that. This is unacceptable.

There are so many classifications of jobs in the Public Service and so much time is spent finding out which little bracket you fit into—who can apply, who is eligible—that about 40 to 50 per cent of all job positions require a complicated classification procedure with hearings, discussions and debate. As a result, more public servants look after hiring public servants in many areas than there are actual people doing the job.

The government has recognized some of these problems and so has the Public Service. So what do we get? We get PS 2000. The procedure was instituted from the top, where the top mandarins planned to give themselves more power. They proposed some laudable procedures to cut red tape but in instituting their reports and bringing them forward, they did not involve the Public Service, the people on the front lines. The civil servants of Willowdale that I have met with were not part of that discussion. It was a streamlined bureaucracy, but if you do not involve all of the people in the decision-making process, you are heading for disaster. That is what happened. The Public Service has balked.

The people in charge of PS 2000 pulled back a bit and what did they do? They brought in their tenth report, introduced by Mr. Rawson, who I think is a very capable public servant, and tried to change their course, gearing it toward public servants; service to the clientele and service to the public. However, this process lacked the involvement of the public servants themselves.

We are reaching a stalemate. The people do not like it. This is why we as the Official Opposition have called on the government to back off. Let us, as parliamentarians, have hearings so that we can get all of the people involved and develop a consensus because without the co-operation of everyone involved—and you know this, Madam Speaker, in your work with this House and our staff— in the decision-making process they are not going to feel committed to the end result.

Let us look at how this government has treated its own staff. It has questioned the competence of its own public servants to do a number of jobs through contracting out, which is increasing rampantly. Rather than having people who are trained and on the payroll doing a number of jobs, it contracts out without any sense of accountability and without being able to explain to either parliamentarians, the Public Service, its own staff, or even its own labour pool why outsiders are better equipped to do it. Is this just an attempt to get rid of jobs in the Public Service? Until accountability becomes a criterion for contracting out, we have real reason to suspect, and so does the Public Service, that this is not in the best interests of either them or Canadians.

• (1100)

Then there was last summer's strike by public servants. This was when the government said: "Public servants, you get 0, 3 and 3 per cent increases, one, two, three years". At the same time the top tiers of the Public Service obtained reasonable increases or very big increases. What happened? The Public Service went on strike.

I believe the government knew that they would go on strike because that was the only alternative they had as a self-respecting body. I believe the government wanted them to go on strike so that it could legislate them back to work and take the political credit that it thought would be due to it as Ronald Reagan had apparently won the hard right in the United States when he ordered the air controllers back to work. I think the government was that cynical. If it was not that cynical, then it was just plain stupid. It knew its policies would lead to that result.

Then what do we see? The government brings in its prosperity agenda and makes a wonderful declaration: "We are going to work together; governments, business and labour to make Canada prosperous, to make Canada competitive". It asked labour to buy into its concept of what co-operation between management and labour and government is. It said: "Come and sit with us at the table". What do you think labour said? "No way, not the way you are treating your employees. We will have no

part of it because we've seen what your concept of co-operation involves".

Looking at the example that this government has set, in terms of its own relationships with its own employees, is it any example for Canada's private sector and dealings between management and labour in our private sector?

I have a dismal record to present to the House today. It comes from the World Competitiveness Report and looks at working days lost per 1,000 inhabitants. The 1986 to 1988 average looked at 33 different countries. Canada is at the bottom of the list in terms of the number of days lost per 1,000 inhabitants. I will be happy to table this if the Speaker wishes.

Let me just go through some of the shocking statistics. Looking at the G-7, Canada's record is by far the worst. We are 403 times worse than Germany, 99 times worse than Japan, 16 times worse than France, 4 time worse than the U.K., 3.4 times worse than the U.S.A., 2.7 times worse than Italy in terms of our record of days lost.

The government is considering a free trade deal with Mexico. Our record *vis-à-vis* Mexico is 93 times worse. How are we going to compete in this world if our record of days lost, of management-labour strife in the private sector, fueled by the example of the government in dealing with its own employees is the worst in the world? We just cannot afford it.

This is why the government's initiative, in perpetuating its pig-headed view of how it is going to dictate to its own public servants, is a failure. This is why we call on the government to back off.

The importance of all three sectors working together has been recognized by the government. May I just quote two paragraphs from the Liberal Party task force on deindustrialization and economic renewal. At page 25 we said: "In conclusion, the federal government must foster a new spirit of co-operation, collaboration and common purpose among all the partners in our economic future, including business, labour, education, finance, consumers, communities and governments themselves". In order to do that we gave a practical recommendation, recommendation 11, a new approach to industrial policy, "that the government bring together the representatives of labour, business, education, finance, consumers, communities and governments to find ways to work in a spirit of co-operation and collaboration".

The best thing the government could do at the moment is accept our party's recommendation and send this whole matter of PS 2000 to a committee.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is a pleasure to speak to Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada.

I want to say at the outset that I support the suggestion made by my hon. friend from Willowdale that the appropriate way to deal with this right now is to suspend further debate in the House of Commons and examine the implications very clearly in a special committee as to just what this legislation is all about. If anyone actually has read this legislation, has spoken to the people who are directly involved, he or she will realize that this is probably about the last piece of legislation we should proceed with in terms of developing and building the federal Public Service.

I will simply say that in the Kamloops area over the years, the dedication, professionalism and service to the public demonstrated by the federal employees has been nothing short of extraordinary. The people in Health and Welfare, Employment Canada, in the immigration department, Agriculture Canada at our research station, the airport employees, CMHC, the customs people, those working with Environment Canada and income security, those involved with fisheries, public works, to say nothing of the excellent service that we receive from Revenue Canada folks and those related with the Canadian Jobs Strategy out of Kelowna and Penticton are really outstanding, professional public employees.

These are people who have dedicated their lives to serving the public. They take that mandate very seriously. I would say that out of all the thousands of federal employees in our constituency offices, we virtually have never heard a complaint.

We have heard from time to time some concerns, but when we have examined and studied the situation, the concerns that people have had have been unfounded and misplaced. I could say that you would not find a more professional, committed group of employees anywhere, in spite of what the government has done.

I say that thinking back to not long ago, a few months back when we were entering into those contract negotiations. I suppose the ultimate in humiliation was when the employer said to the federal employees: "We feel you are not worth any increase in pay for this year. While we have given pay increases to others, and while the settlements generally in contracts being resolved around the country are coming in at somewhere between 3 and 8 per cent, we are going to offer you zero. As a matter of fact, not only are we going to offer you that, we will force that through legislation so that we do not really even have to bargain".

The signal that that sends to people who have dedicated their lives to serve the people of Canada was probably the most serious blow to morale that one could imagine. Read the books on management styles these days, study the manuals and attend the seminars on how to improve productivity in the work place, how to enhance morale and if you listen to all the things you should do. I suspect that this government does none of them.

This legislation allows the government to continue to contract out work. The government now spends in excess of $5 billion on contracting out. There is no accounting of this expenditure and no study of the cost effectiveness of this contracting out process.

This bill also increases the discretion of managers in the deployment of staff. It provides the mechanism for increased devolution of managerial responsibility and accountability and attacks the job security of public sector workers generally.

What it does not do is address the serious problems of low morale within the Public Service. It does not address the deterioration of service to the public that one is experiencing because of employee absenteeism, which my friend from Willowdale has pointed out is one of the highest in the world.

• (1110)

It does not do anything to modernize the collective bargaining process. Still the alliance will not be able to bargain issues of classification and staffing levels. What the workers want is to make staffing classification and deployment of staff a bargaining issue. It wants an adjudication process to hear grievances and an end to the contracting out of work. Yet this legislation goes against all of the concerns that people have registered, all of the wishes they have made clear, and imposes some Draconian form of management that is quite unbelievable.

My colleagues have identified a whole number of concerns that we have identified. Fundamentally I want to direct my concern today to the issue of pay equity. While Bill C–26 does not deal directly with reclassification, we all know that it does allow Treasury Board to define classifications. Treasury Board has made very clear its desire to implement the recommendation of Public Service 2000 to reduce the number of job classifications. While the unions agree with the principle they do not agree with the process. Treasury Board will not negotiate these reclassifications. As a matter of fact, Treasury Board will determine the appropriate bargaining units. This is contrary to other labour legislation including the Canada Labour Code which gives this power to the Labour Relations Board. We all know that Treasury Board has established the classification simplification task force. Its mandate is to develop a universal job evaluation plan capable of addressing pay equity as defined in the Canadian Human Rights Act, and to serve as the model in the development of most future classification standards. A single evaluation process is appropriate. However the last time Treasury Board agreed with the joint union–management initiative it backed off when the associated costs of pay equity were discovered and understood.

Once this classification is implemented, at least this is what PSAC certainly fears, the government will use sleight of hand to say that it has achieved pay equity without costing any money. Salary discrimination would basically disappear because the old female dominated and male dominated groups will have disappeared. The inequities are still there. They are just regrouped. The argument is totally fallacious.

PSAC believes that when it challenges the government's claim of achieving pay equity at the Human

Rights Commission it will win. However this will have delayed pay equity for a long time. In fact it will likely delay it for many years.

Here is an example. Part of the reclassification would result in a general administration group which will have approximately 116,000 employees performing a very wide variety of tasks. There would be six levels within that general administration group and each level would have its own salary range. The ranges will result from slotting the old jobs into the new six salary levels based on the old salary levels. This means that the lowest paid groups remain at the lowest levels and that the highest paid at the highest level, with females at the bottom and males at the top.

In other words Treasury Board will provide a new package for the existing out of date and discriminatory job classification system. Treasury Board officials have consistently referred to how the old groups will be slipped into the brand new system. It is this discriminatory system that is currently under view by the Human Rights Tribunal.

If this government were committed to pay equity then it would proceed with the equal pay adjustment guidelines passed back in 1986. As was recommended by the Canadian Human Rights Commission, these ought to be done on existing job classifications. We should not transfer the old wrongs into a whole new structure. We should make it right now that we have the opportunity.

In 1985 the joint union–management initiative on pay equity in the Public Service was established. The government paid an American consultant, Mr. Norman Wills, over $1 million. There were 50 to 60 Treasury Board employees who worked on the initiative and 40 paid persons from the union. The study showed the gross inequities between female and male dominated groups. The government ignored this study and used its own calculations of what the pay adjustments should be. PSAC disagreed totally, and rightly so, and decided to pull out in 1989.

The case went before the Canadian Human Rights Commission in October 1990. The commission decided there was merit to the case because government rates were not high enough and were not consistent with its own guidelines and therefore referred the matter to a tribunal. The tribunal will hear from PSAC and the Professional Institute of Public Service of Canada, the Canadian Human Rights Commission, and Treasury Board. Although Treasury Board originally agreed with each step of the equal pay process, that agreement is now forgotten. Every step of the study process had to be painstakingly presented and justified before the tribunal in order to substantiate the equal pay complaints.

Each party can and will call witnesses and cross–examine. This will result in an extremely lengthy process and likely will continue into the fall of 1992 and perhaps even into next year.

In conclusion, I will simply say that while women represent half the world's population, provide two–thirds of the world's labour, and produce half the world's food, they receive only one–tenth of its remuneration and they own a mere 1 per cent of its property.

This is a chance to rectify some of these past wrongs. We should be acting on pay equity in a very serious way.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, this is the first time I am addressing the House in my new role as labour critic for the Official Opposition. I hope my remarks will not be taken in a spirit of condemnation but as trying in my own way to enlighten the ministers who are here and my colleagues.

It is *sans dire* that over the years there has been a push to have co–operation between management and labour, labour and government, and management and government. A few years ago it was called tripartitism, but it is a recognition that those people in the position of making decisions which affect the welfare of all Canadians should be working together.

Today we are discussing in large part the public servants of Canada. I would like to put into perspective what the government says it is attempting to do and what our views are with regard to its attempt. It is my view at the outset, and my colleagues have pointed this out, that our public servants over the years have done an admirable job under circumstances which were not always the best.

This move the government is making is not designed to boost morale, and much less productivity. As a matter of fact I believe, with all respect to the minister, that it is counterproductive.

Let me quote from the backgrounder to Public Service 2000 put out by the government. The Public Service Reform Act, Bill C–26, was introduced in the House on June 18. Today we are debating its particular merits. The government claims that the legislation will streamline outmoded legislative rules which control collective bargaining, staffing in the Public Service which I want to deal more specifically with in my address, human resources management, and the disposal of surplus assets.

The Chair should be aware that I intend to introduce for greater scrutiny at a later time in this debate the third topic which I mentioned. What I want to deal with today is the whole theory of merit pay.

The government has said that the goal of PS 2000 is to eliminate a good part of internal red tape and the cumbersome and far too numerous checks and double–checks and to reduce the unnecessarily long chain of command to get approval for straightforward transactions. I am in favour of that. My party is in favour of that.

It is incumbent upon us to take obstacles out of the way of the clients whom the public servants are there to deal with.

Changes to the operations of the Public Service have already begun. I agree with that. I do not agree that they have been done under the best of circumstances. While rules and regulations are being examined I am wondering how much input the public itself has had on these changes.

• (1120)

I am now quoting. This is what it says: "The person on the front line at the service counter is going to have more freedom of action and the chance to use common sense and good judgment in helping Canadians to count on the government for services". Well, of course. However haven't our public servants always used good judgment? Haven't they always used common sense? I suggest that they have. I suggest that many times we have not given them the proper tools to carry out the work we ask of them. It also says: "The federal government is the largest employer in Canada". It will probably continue to be. It continues: "The daily work of its employees affects every region and all communities in the country".

I want to put on the record a few of the statistics we have been given by the government. Two–thirds of public servants are based in communities across Canada, which means that they are external to those who are living and working here in Ottawa. Perhaps erroneously it has been said that Ottawa is a fat cat city. This is where the public servants are supposed to be living high on the hog. I would suggest to the minister, to my colleagues in the House and to all Canadians that for the most part our public servants are not overpaid. In my view there could be a great debate to say that they are overworked in many circumstances. We are asking them to do more with less. That is a principle I believe we cannot condone.

Since most public servants are based in cities and towns across the country and are delivering what I call very good services every day, they should be recognized for the work they have done. They have been providing top quality work, and they have been providing cost effective and efficient services to their communities.

I set that up as the basis for my remarks today because I want to put on record the Liberal view of the Public Service. Those in my party believe that Canadians deserve accessible quality services which are delivered efficiently by a professional, non–partisan Public Service which treats all employees with respect and fairness. It must be responsive to the needs of Canadians because their *raison d'être* is to help the people of Canada when they are having difficulties *vis–à–vis* the federal government.

My Liberal Party is committed to the partnership between the public sector and the private sector and to the partnership between the government and its employees on whom it relies for policy advice and to carry out the programs, the services and the regulations mandated by this Parliament.

We support revitalization. We support the renewal of the Public Service to allow it to adapt better to rapid change. Most of all we wish to create an environment in which the employees can be creative, innovative, responsive and adaptable to the changing needs of their clients and to the nation.

It should also be noted that we hope to be able to attract and to retain competent, dedicated employees. When we say "dedicated employees", I know from

having visited many of the offices in my riding and in neighbouring ridings that these front-line troops are under a great deal of stress and pressure. Over the years and still today they are performing admirably well in an economic situation which leaves a great deal to be desired.

The Liberal Party believes that change can best be managed in a climate of mutual trust, co-operation and consultation with its employees. That includes respect for basic collective bargaining rights. This was not shown to be so when unilaterally the government imposed a wage freeze for our public servants with some increases, at least it says now, of 3 per cent in the second and third years. I am not as sure and as confident as some members that this will come to fruition.

Perhaps this government, feeling a greater pinch if the economic situation does not improve, will once again be turning to our public servants to use as scapegoats, as people it can put the blame on when all the time what these people are doing is carrying out their responsibilities in a milieu, in an atmosphere which is not always conducive to working as hard as they want to.

We, in the Liberal Party, are committed to accountability to Parliament and to the public for the use of both human and financial resources.

I turn now to the merit principle. The Liberal Party supports the merit principle and will oppose the government's efforts to reintroduce patronage and favouritism to the Public Service.

I notice, Madam Speaker, that you are indicating that my time is running out, but I do give notice to all members of Parliament that I intend to enter this debate again when we continue our deliberations in the House.

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, I would like to respond to some of the comments that some hon. members have made about contracting out.

First of all, I find them to be somewhat misleading and that is indeed very unfortunate. The Government of Canada believes it should deliver its programs and services in the most cost-effective way possible. To do this, it is sometimes advantageous to have work done by able Canadians in the private sector. This has occurred since Confederation.

With restraint and budget cuts to the operating costs of departments, managers are seeking the most cost-effective means of program delivery, using an appropriate mix of resources, just as they are doing in the business community.

There are many areas in which contract work is clearly both proper and desirable, such as projects of relatively short duration. It makes no sense to hire a plumber on a permanent basis if one visit is all that is needed to fix the problem. Second, perhaps the workload fluctuates throughout the year or from year to year in a given location such as snow removal or where there is a sudden and unforeseen workload generally speaking. These are areas where contracting out is not only desirable, it makes common sense.

The government is also committed to a world-class career Public Service. Are these two imperatives incompatible or mutually exclusive? I think not and I would like to look at the issues surrounding them in some detail.

First of all, what is contracting out? Opposition members and the Public Service Alliance of Canada have said that the government contracts out $5 billion worth of work per year. At least, the Alliance said $4 billion back when the bill was introduced last June. Today it says $5 billion. Neither figure is realistic so it really does not matter.

Assuming the figure quoted is derived from some official source, such as the public accounts, then the figure has to do with contracting, not just contracting out. If it is contracting, the figure would appear to include huge national defence contracts, capital projects and major construction work performed by private sector companies and the costs assessed when one government department contracts with another to perform work; for example, when Transport Canada contracts with Public Works Canada for offices for its employees and other facilities.

Real contracting out, in any meaningful term, is only a fraction of this alleged sum. So while the government does not have the staff necessary to compile and maintain exact figures on all types of contracting and contracting out costs, hon. members can be assured that the government is not attempting to hide figures it does not have.

So why are the unions and some members of the opposition bringing the issue up in the context of Public Service renewal? Contracting out occurs where work formerly done by Public Service employees is performed by the private sector on behalf of the Public Service as the result of a contract. This is what has caused govern-

ment unions some concerns in the past. But contracting out does not represent a significant threat to jobs in the federal Public Service. Since 1984 less than 1,500 employees out of a work force of 215,000 people or so have lost their employment in the federal government as a result of their work having been contracted out.

• (1130)

For the last fiscal year, only 154 employees out of the entire Public Service of Canada—that is right across the country—were involuntarily laid off for any reason, including contracting out.

Why does the government have such an enviable record of placing its surplus employees? A comprehensive and highly successful work force adjustment policy has historically provided excellent protection to employees who are declared surplus for any reason, including as a result of contracting out work.

The policy has achieved a 99.5 per cent rate of employment security, one the highest rates in Canada. This is not a job for life, rather it is a recognition that a large employer can usually accommodate most of its surplus staff if those employees are willing to be flexible and take another job elsewhere in the system.

It is the same with responsible employees in the private sector and examples abound. For instance, it should come as no surprise that when General Motors opened its new production plant in Tennessee to assemble the new Saturn automobile, it staffed the plant almost entirely with surplus and laid-off employees from Flint, Michigan operations.

The issue seems to be what kind of protection do current government employees have when their jobs are contacted out and do the provisions of Bill C-26 in some way erode or undermine this protection? The answer is a resounding no.

It has been suggested that somehow Bill C-26 if enacted would become some sort of charter, enabling government to contract out at will and jeopardize the employment of Public Service employees. This is simply not so. It seems most unfortunate that so much heat and confusion has been generated over this issue and debate time wasted when no change of any real significance is occurring through these legislative proposals.

Let us look at the facts. What Bill C-26 does is recognize by amendment to section 29 of the Public Service Employment Act that movement of a function outside of the Public Service can constitute the discontinuance of a function and therefore can legally lead to the possible eventual lay-off of employees whose jobs are so affected.

This change becomes necessary because of the so-called Cantin case concerning the contracting out of the work of data processors in the department of customs and excise that was taken by the Public Service Alliance of Canada first to the Public Service Staff Relations Board and hence to the Federal Court of Canada.

These cases which went against the employer were decided on the technical wording of a section concerning contracting out. However, it is both interesting and important to note that the Federal Court decision contained a strong suggestion that moving jobs outside the Public Service did not constitute a discontinuance of a function within the meaning of the work force adjustment policy and by extrapolation within the meaning of the Public Service Employment Act.

This went contrary to all previous government interpretation, practice and thinking and indeed the Treasury Board has sought and received leave to take the Federal Court of Appeal's decision to the Supreme Court of Canada.

In consultations leading to a renewed National Joint Council work force adjustment directive in December 1991 these issues were fully and frankly discussed. The employer's aim in these consultations was to reach a new agreement with the unions that would ensure the government's right to contract out while at the same time protecting the rights of surplus employees.

In this regard the government announced in the February 26, 1991 budget:

> —should agreement not be reached through negotiation, the government is prepared to introduce the necessary legislation to remove barriers to contracting out.

The government was determined that contracting out would remain one option among many available to it to deliver its programs to Canadians.

As it turned out, an agreement was reached with all government unions through the National Joint Council. The new directive contains enhanced job security provisions which ensure that no one whose job was contracted will lose their employment security within the Public Service except under the most extreme circumstances or where such people had failed to co-operate with the employer's attempt to place them in alternative positions in their home area.

In short, all that Bill C-26 does is clarify in law what has already been agreed to between the unions and management through the National Joint Council; that is, if and when work is contracted out, such actions cause a bona fide discontinuance of a function within the Public Service of Canada and employees affected are protected.

Another aspect of the work force adjustment directive that is of note is the provision which guarantees that as soon as senior management of a department has decided to examine the viability of a contracting out option with regard to a departmental operation, the relevant bargaining agent or agents will be informed. The directive also guarantees that where departments undertake cost benefit analyses with regard to the consideration of a contracting out option, the analysis shall be done consistent with professional principles and practices and according to standards acceptable to the Treasury Board.

As soon as possible after tenders have been received and analysed, the department shall disclose to the relevant bargaining agents the reason behind the decision to go ahead with contracting out work, including any cost benefit or feasibility studies that may have been undertaken.

If this is not bending over backward to be fair and open with employees and the representatives, I do not know what is. The only caveat on this, and it is a most proper one, is that most departments will not share those parts of such studies that fall under the exemption provisions of the Access to Information Act concerning third party information.

All of these provisions are new. They are in addition to the information in Part III of the Estimates already available to hon. members and the public, including unions, which already provide information on significant changes in financial requirements, type of resources used and means of program delivery and they are in addition to the considerable information on professional and special services contracting expenditures that is already disclosed in the public accounts.

This disclosure details for each program the total amount spent on professional and special services together with detailed listings concerning individual and aggregate payments of significant size.

To sum up, first, charges made during the second reading debate on this bill to the effect that the government contracts out billions of dollars worth of work that its employees could do just as well are unfounded. So too are charges that the government is unwilling to provide any information it may already have on the subject.

Second, the government's work force adjustment directive continues to provide comprehensive protection for surplus employees whose jobs may be contracted out in the future.

Finally, nothing in Bill C-26 in any way erodes the employment security of current Public Service employees. That is, the change proposed to section 29 of the Public Service Employment Act merely recognizes in law what already has been effected *de facto* by the mutual agreement between the employers and its union.

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, it is an honour for me to participate in the debate on this very important bill.

Let me reiterate for the sake of the public record that I worked as a broadcaster and journalist at the Canadian Broadcasting Corporation for almost 20 years. I suppose, in the eyes of some people that would have made me a federal public servant. Not so, because as you know, the CBC is a Crown corporation. Moreover, I spent more than half of my time at the CBC on long-term contracts. So I was not a civil servant. However, because of my work as a broadcaster and journalist, I certainly came in contact with public servants almost daily in my long career in broadcasting and I am certainly in contact with them as a politician.

I think I can say, without reservation and without hesitation, that civil servants are committed people, committed to their work. They are loyal and hardworking. Really, when you come right down to it, they are more or less just like all Canadians. Most Canadians are

committed to their jobs. Most Canadians are hardworking and federal civil servants are no different.

I know that in the work I am doing now and in my relations with offices like the Canada Employment Centre or the immigration services or Revenue Canada, all the government offices that we have to work with on a daily basis, these are people who are dedicated and provide in the main a pretty good service. I want to put that on the record because if this bill is passed in its current form it would certainly affect their lives.

• (1140)

Public servants are telling us that they do not want this bill in its current form. They want it changed. It is incumbent upon us to take a very serious look at this bill and do it in a way that will provide very good results down the road and make it a much better bill. There is strong opinion out there that this bill is in bad shape.

Among other things that is one of the reasons we in the Liberal Party are asking that we get this bill out of the House and turn it over to a special committee. I will have more to say about that in a moment.

Something has gone wrong in the Public Service in the past few years. Something terrible has gone wrong. The morale is very low. In fact the air is virtually poisonous. That is how bad the morale is. The trust has been lost.

I suspect one of the reasons for that is the suspicion of public servants with regard to this government. They are suspicious about government policy. They are suspicious about the government's intentions. They are certainly suspicious about the government's ideology. They are in effect saying: "We have seen what the government has done with respect to free trade. We have seen what the government has done with respect to the GST. We are seeing what the government is doing in the area of the GATT as it pertains to supply management".

What are they seeing? They are seeing a government committed to privatization. They are seeing a government committed to the open market system. Public servants are very suspicious. That is why they want this bill vetted, examined, scrutinized to the nth degree.

One of the things that contributed in a major way to the current low morale, to this poisoned atmosphere, was the strike that occurred last year. Perhaps that was the low point in government–employee relations in many years.

Government more or less announced in its budget earlier last year or in effect told public servants: "Your collective bargaining rights are cancelled. You are going to get zero this year. Sorry about that, but you are not getting any increase". That to me is tantamount to cancellation of collective bargaining rights. In fact some months after that the government's own staff relations board said that the government was bargaining in bad faith.

That strike certainly contributed to the bad relations that currently exist. On one hand, public servants were told that they were going to get a zero per cent increase in their wages. Meanwhile, they were told on the other hand that federal judges, some of whom earn almost $200,000 a year, were getting 5 per cent. This is not a good way to contribute to better staff relations.

As a party we are saying: "Get this bill out of the House, turn it over to a special committee, and examine the bill in detail". One of our hopes in that regard is to get it out of a partisan atmosphere. We are saying: "Get everyone involved, get all the parties involved, get PSAC involved, get the government employers involved, get everybody involved and treat this in a very non-partisan but serious way". Perhaps we could accomplish something that way. It is because of the serious situation that exists. Somehow or other we have to get some trust back into the process. We have to get people back on friendly terms, on working terms, and maybe we can accomplish that if we choose to appoint a special committee.

After all, that is what the public accounts committee suggested. We are only following up on the suggestion brought forward by the public accounts committee.

There are many contentious issues. I am not going to go over them in detail because they have been alluded to several times in speeches earlier today. There is the contracting out issue. It really does not matter whether the figure is $3 billion, $4 billion or $5 billion that is spent on contracting out. It really does not matter what the figure is. It is a very divisive issue. It has public servants

very upset. We really do not know the impact on public servants. We really do not know whether we are getting our money's worth from contracting out. That has to be looked at.

There is the merit principle which is something that cannot be lost. We cannot have as good public service without operating on the merit principle. Yet there is strong opinion that if the bill went through in its current form the merit principle would go out the window and we would have in its wake patronage and favouritism, and we cannot have that. Another concern is undermining the Public Service Commission, and we cannot have that as well.

There are many things of great concern to public servants that are not in the bill, for example pension reform, employee rights or the political rights of employees. Sometimes the issues have to do with contents of the bill; sometimes the issues have to do with things left out of the bill.

We suggest, and I certainly support it, that we take the bill out of the House, turn it over to a special committee, and give it a real good working over.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, in the very brief time I have to speak on this bill I would like to take the opportunity to comment generally on the proposed legislation. Also I would like to put on record some of the comments from my area, given the discussion and debate about a very important issue that sometimes may seem a little dry. To those of us concerned about Parliament, about government and in particular about the effective delivery of government programs and services, this kind of legislation must receive very serious consideration.

In discussing the bill I want to note that public employees in my area, primarily in the Prince George, B.C. area, have spoken to me about this legislation, basically about the report that it flows from. They have been expressing their concerns about what they see the legislation possibly doing. They are certainly going to be following this debate closely.

I am assuming that when this bill passes second reading in this House and goes to committee we will get the detailed analysis that I think is necessary. Certainly time must be set aside for witnesses from the various unions and collective bargaining agents with the federal government to have every opportunity to present their arguments and cases to the committee when it is reviewing the legislation.

As members of Parliament we have all come into contact with members of the Public Service, given the work done in our ridings, particularly by our staff.

• (1150)

At the airport in Prince George there is a great deal of contact between our staff and a number of service agencies. One in particular is Canada Unemployment and Immigration Commission, regarding unemployment insurance and many of the problems associated with it. In northern B.C. there has been a large increase in the number of UIC claims. Extra effort is being put in by government employees to ensure that claims are processed as fast as possible. There is work being done by employees of the Canadian Jobs Strategy on the training program side.

Given the debate in the House yesterday, we are wondering what kind of a training program we will have left if some of the advice is taken by the government in terms of what these training programs are going to do. A couple of departments will have a tough job. I am thinking of immigration. It is a very difficult post and one which our offices are in contact with a great deal. There has also been some shifting in the Prince George area. Unfortunate decisions have been made by this government to close down the Agricultural Experimental Farm in the Prince George area. On the other hand a small Forestry Canada Research Unit is being created which of course we support. We are doing some work with the minister and the provincial government and hope to make some arrangements with the new University of Northern B.C. in Prince George.

All of us have a vested interest to ensure that the public service is well represented when any legislation dealing with it is brought forward. I will be ensuring that copies of this debate are forwarded to those people in my riding who have expressed their concerns about this legislation.

I have a couple of comments pointing out the major concerns we have with this bill and what it does not do. I would like to outline some of the concerns and views we have heard from employees in our ridings and in meetings with our caucus. Our labour critic, the member for Mission—Coquitlam, has developed a good working relationship with Public Service unions and of course has co-operated when need be with the government.

The bill is going to allow the government to contract out a great deal more than before, and that is a real concern. That matter was raised when I appeared before the Prince George city council a few weeks ago. All of us know that the Canada Unemployment Centres, as we used to know them, have ceased to exist. Training programs are being contracted out to a number of new consulting and training firms that are delivering many of the services we used to expect Canada Employment to do. The public still thinks it provides these services.

It is our concern that this bill will allow a great deal more of that. I am concerned on that point because like any employer we should make every effort to develop a good working relationship with our employees, bring them along and train them. We get better service and an incredible commitment from employees when we do that. If we reduce many of the public employees simply to shuffling paper around, we are not going to have the kind of innovative work force that we need.

Some of the concerns raised were the discretion of managers in the deployment of staff, the increased devolution of managerial responsibility, accountability, and some of the attacks on the job security of public sector workers.

What does the bill not do? The serious problem of low morale in the Public Service has been raised before. The government has not given any indication of the need to develop a higher morale in those employees who work for the federal government. In fact, during the recent dispute, it certainly appeared to many that the government went out of its way to work against the relationship that was needed.

I mentioned a very serious problem with unemployment insurance earlier in my comments. There has been a deterioration in service to the public because of the increased numbers of people the administration has to deal with. I mentioned specifically the unemployment insurance program in northern B.C., the vast number of claims that have to be processed, and the incredible effort being made by many of those people to see that the work is done.

Something must be done to modernize the collective bargaining process. The Public Service Alliance, representing the majority of the employees, will still not be able to bargain issues of classification and staffing levels. It is a very important point that I know and trust the government will consider. I hope we will deal with it in committee when this bill gets there.

What do the employees want? Often it is their voice that is not heard and it is important that we raise their concerns here. They want to make staffing classification and deployment of staff bargainable. They want an adjudication process to hear grievances on the above, and that is very important. We all know of people who have made efforts in terms of promotion or classification and would dispute a decision by either a manager or a regional manager. I think that has to be included in the process to ensure it is taken care of. Of course the employees are very concerned about the need to ensure that we do not have the policy of contracting out that the current government has followed.

I would urge the government to go the distance in committee to ensure that every effort is heard and the time is given to the employees of the Government of Canada to make their case. The government must be open to improvements and suggestions. By doing that I think we will ensure better legislation and a better Public Service.

Mr. Brian O'Kurley (Elk Island): Madam Speaker, I am pleased to have the opportunity to participate in this debate on an issue that is of concern to all Canadians, namely the future of their Public Service. I say "their Public Service" because we must make it clear that it is neither an institution for public servants nor an institution just to serve the government. The Public Service of Canada exists to serve all Canadians.

For this reason, like so many other issues of public policy, this issue is one of balance and reasoned compromise. For a long time Canadians have properly prided themselves on their ability to reconcile important objectives and find solutions which serve the common interest. In this case it is a balance between the rights of public servants as employees and the need for a system which supports responsive service to the public.

I believe these needs have been reconciled by the government in bringing forward this bill. That is where I believe the opposition is off the mark in comments made so far in this debate. I applaud the comments made by many hon. members in support of the men and women of the Public Service of Canada which is justly regarded as one of the best in the world. This bill provides for the maintenance and enhancement of that tradition of excellence.

I would like to make a couple of broad points in support of the proposed legislation and then deal with a few of the specific inaccuracies raised in this debate. There are two predominant messages in the white paper *Public Service 2000: The Renewal of the Public Service of Canada*. I would urge all members who might not have read this important policy statement to do so.

• (1200)

The issues are fundamental to the reform legislation and our consideration of it. The first issue I would suggest is the recognition of the importance and affirmation of the government's commitment to a professional, merit based Public Service. This is a Public Service open to all Canadians of talent and commitment. It is a Public Service where entry and progress are based on skills and ability and where patronage, both political and bureaucratic, has no place.

In this Public Service people can make careers. They will have the opportunity to develop consistent with their abilities and interests. There will be special consideration given to the needs of employment equity groups, to ensure that Canada can benefit fully from a Public Service which reflects all of our citizens and their capabilities.

The Public Service Reform Act proposals reinforce this by confirming and strengthening the role of the Public Service Commission as the guarantor of merit at the most critical points, that is on entry to the Public Service and on selection of those to be promoted.

The proposals also ensure appropriate protection for public servants from patronage or abuse of the staffing system. This is accomplished by strengthening the audit investigation and appeal authorities of the PSC. There is, in addition, recourse provided against abuse of authority in the case of deployments which must, in most circumstances, be consensual. It provides for direct action in support of employment equity groups and makes it clear that the employer is responsible for this.

But we must also look at the second and overriding theme of the white paper. It is the enhancement of the service orientation and capacity of the Public Service to provide mechanisms to allow the Public Service to be responsive to the needs of Canadians and allow individual public servants to progress and contribute.

It is no surprise to those of us who have occasion to work with its women and men that the vast majority of the Public Service is dedicated to doing a good job. But many studies and commentaries, including the Auditor General's, have found that the system built up over the years has constrained responsive management and the innovations which dedicated and skilled people are capable of generating.

It is here that the issue of balance must be resolved between a system where all staffing requires a laborious process of comparison and the need for a less rigid regime which allows people to move quickly to new challenges for which they are qualified, between a staffing system based on the premise that jobs can be narrowly defined and the one best person can be identified through relative assessment, and one which provides flexibility to recognized legitimate needs of the public for responsiveness.

I would like to address some of the issues raised in error in this debate. One, for example, is that the changes proposed fatally undermine merit. The merit principle has never been an absolute concept. It has always been tempered by the context within which it was applied. It has reflected the needs and views of society at a given time, with an eye on administrative efficiency.

It seemed quite fitting in 1918 that women should be denied opportunities in the Public Service on the mere grounds that they were women. Today we would consider that view in conflict with the merit principle. Throughout many of these years francophones were at a distinct disadvantage when it came to tests and examinations that were based on curriculum of the anglophone school system. Today we know this would be unacceptable.

Yet these views were able in their time to co-exist with the merit principle. The current Public Service Employment Act contains many provisions that could be viewed by strict interpretation as contrary to the merit principle. Take, for example, the preferences that are given to veterans, to local residents and even to Canadian

citizens. There is the fact that public servants are to be considered for appointments before looking at the outside market. There are priorities for appointment before all others that are given to persons facing a lay-off or returning from a leave of absence. There is the area of competition policy which allows us to limit consideration for appointment to persons employed in a particular organization or location.

I raise these examples to show that the merit principle has never been an immutable concept. It has always been balanced by other important needs, principles and values, and this is as it should be. It is our view that the needs of the public for quality and timely service and the needs of employees for opportunities for career development are important principles that need to be brought into the equation.

The merit principle, which is the selection of the best qualified person, will continue to apply to recruitment, hiring, change in tenure from term to indeterminate, and promotion within the Public Service.

Once employees have proven themselves to be the best qualified and competent in moving to a given level, little is served by requiring them to undergo a complete reassessment every time they move into similar jobs.

Members might be interested to know that although the merit principle was introduced in 1918 it did not apply to transfers. From 1918 to 1961 transfers were made by deputy heads of persons considered qualified by the then Civil Service Commission. This is exactly what we are suggesting today. Even after 1961 transfers for the most part were simply considered as a change in record content. That means they were not considered to be substantive moves of employees, and no reassessment was done.

It was not until a policy change by the Public Service Commission in 1975 that transfers were treated as appointments subject to the selection of the best qualified. A competent, professional and highly respected Public Service was developed despite the fact that transfers were not subject to the merit principle for many years.

It has been said that managers will be arbitrary and capricious in the selection of employees for deployment favouring some at the expense of others. They suggest that employees have no recourse to the manager's decision.

This has been the most disturbing part of the debate. There is an interesting inconsistency in the suggestion that the majority of those selected for management positions under the existing merit system cannot be trusted to deal fairly with other employees. If this were the case, I am not sure that it provides a compelling case for maintaining the present system. In reality I am pleased to say that this is simply not the case. There is simply no evidence to suggest that managers as a group are arbitrary, unfair, lacking in judgment or unconcerned about their employees. It is to the contrary. Public Service managers are competent and committed to both their employees and to the public interest.

There are a number of other points I would like to make, but in closing I would just like to refer to the recent decision of the Federal Court of Canada regarding the lateral transfer exclusion order. The Federal Court was not castigating the government. Rather it was suggesting that the government might well wish to follow the direction it is now taking and change the legislation. In that decision Mr. Justice Rouleau said: "Being satisfied the commission does not in some instances require more flexibility"—

Madam Deputy Speaker: Unfortunately I must interrupt the hon. member. His time has expired.

• (1210)

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, I listened to the various speeches made in this House on the reforms proposed by the government for the year 2000: PS 2000. Naturally, in the time allowed to us, we could raise many issues, and I see my colleague from Ottawa-Vanier who is a great expert in this field. Of course, my own experience in it was gained when I was a member of the Quebec National Assembly. A commission, on which I sat, was set up to overhaul the Quebec government's public service. Of course, the will was there, and I am convinced that it is also there within this government, to bring in useful changes to modernize the Public Service. I remember that we emphasized one thing, namely the issue of accountability. The term used in French was "imputabilité".

This is a very important element, not only for the public, which expects services from its public servants, but also for members of this House and others, mayors of municipalities, et cetera, who must deal with the federal government. Those people will occasionally meet with a deputy minister, an assistant deputy minister or even a minister but, more often than not, they contact members of Parliament. It is important for people that when they contact a department, be it National Revenue, Transport or Agriculture, they have someone who will be able to answer their questions, provide them with the information they need, even if their request is by mail, or make decisions. Too often, complaints are made because requests are transferred to others, and too often nobody is held accountable. It is impossible to say who is responsible, whether it is a case of making a decision or providing information to the public. So, the issue of accountability is important and I would have liked to see it dealt with more seriously. We should, along with civil servants, see how things could be simplified for people who want to get information, or when decisions have to be made.

I remember that we set up a system whereby if someone phoned, whether a contractor or some other business person, that person was in contact with a specific person who was in authority, and who could deal with that person until the issue was settled, which is very important, and at the same time very easy for that person. In the end, someone has responsibility either to make a decision or to pass the file on to a higher authority. In this manner, the process can come to a conclusion. People do not have to wait for months before a decision is made.

Another issue before this House, which has often been raised by the Public Service Alliance, is subcontracting. That procedure affects the morale of our civil servants, and I would have hoped that the minister would have taken that issue into consideration. As long as this issue of subcontracting remains unsettled, this conflict will persist with our civil servants and will affect their morale.

Mr. Loiselle: That was settled.

Mr. Assad: The minister says it is settled, but he should tell that to the Public Service Alliance of Canada (PSAC).

No one knows how much is spent on contracting out. However, studies carried out by PSAC even question the quality of the work the public sector does for the Government of Canada.

This matter of contracting out should be considered, and I think it would be a most worth–while investment on the part of government, especially with a partner like PSAC and all the government employees it represents, to ensure mutual trust exists on this issue. We are not talking about a million here and there. We are talking about hundreds of millions of dollars spent on contract work. Naturally, the credibility of the various departments is often called into question. The possibility of patronage was mentioned, among other things.

This it to say that the matter of contracting out is extremely important. Keep in mind that government, as the largest single employer in the country, sets an example. So, let us be an example for all provincial as well as municipal governments. That is why I hope this issue will be considered thoroughly and that PSAC and all the other organizations representing federal civil servants will be satisfied that, if there is to be contracting out, it can be justified as well as quantified.

Another point I would like to make deals with an issue that has been dragging on for years and that is whether there is employment equity within the Public Service, especially for women. We look at the statistics and we see that not much progress is made from year to year. The status of women in the Public Service leaves much to be desired. Many reports were written on this issue, and many assurances were given by governments, not only by this one. For years, we have sought to improve the condition of women in the workplace and to come up with programs as well as to ensure that they would have promotion opportunities within the Public Service. However, year after year, statistics show deficiencies in that area.

Once again, it is extremely important for the Government of Canada, which is the largest employer, to realize that one cannot leave part of our population feeling mistreated or unfairly treated. The role not only of the government but of everyone in this House is to make sure that is considered. We must not just make statements of good intentions and then say we did what we could. We must be vigilant on that issue. I believe that the issue of equity for women should be dealt with fairly,

once and for all. I know that it would be a tremendous benefit for the whole Public Service, because of the large number of women who work in it.

In conclusion, I looked at the Public Service Alliance's report, especially the chapter on the subject I spoke on before, contracting out. It seems to me to be a major point. If I go by the report from the Public Service Alliance, as I should, I recommend that you look at that aspect if you want to improve morale in the Public Service. I suggest that you study this question of contracting out because it will be raised in the House many times until it is settled.

• (1220)

[*English*]

Mr. Kempling: Madam Speaker, I rise on a point of order. I would like to advise the opposition parties that should they have any amendments they wish to put to this bill we would be pleased to receive them at committee.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I would like to address my remarks on this legislation today from two perspectives.

The first perspective is as someone who has worked in the Public Service in Ottawa, who has been on both sides of the competition process, who has competed successfully and sometimes unsuccessfully for positions in the Public Service, who has actually run competitions himself, and who has worked with public servants in the government in Ottawa where the vast majority are extremely competent, dedicated and able public servants at whatever level they happen to assume.

I know as someone who worked in the Public Service that the public servants want to make a difference. They are there to serve Canadians in various capacities. Whether it is as a mail clerk, an assistant deputy minister, an economist or a program manager, they are all there to serve Canadians and they really will not have an opportunity to contribute. That is their primary motive.

They are also in many places very demoralized because what separates them from being able to make a difference is a great deal of regulation and directives that require them to have their activities pigeon-holed into corners. They are essentially obliged to do things which they cannot see as actually contributing to the well-being of Canadians.

Public Service reform is necessary. It is necessary to have a Public Service which is not only dedicated but is actually spirited. They should have an opportunity to do what they for the most part want to do, which is to contribute to Canada.

Second, I would like to speak from the perspective that we all share to a greater or lesser degree in this Chamber, that is that of an elected member of Parliament who interacts with public servants on a daily basis on behalf of constituents and who is in very much a direct way a client of the Public Service of Canada.

We are all in our ombudsman roles here as members of Parliament. We are clients of the Public Service on behalf of our constituents. As members of Parliament we are therefore very much affected by the legislation, the Public Service changes that will result from this legislation and the whole array of administrative, policy and regulatory changes that are being proposed in the initiatives and the report known as Public Service 2000.

That is why the amendment proposed by my colleague, the hon. member for Ottawa West, is appropriate. This legislation and the other initiatives encompassed in PS 2000 should not be proceeded with in a legislative committee but should be referred to a special committee for pre-study.

I think that recommendation is most appropriate. It reflects the recommendation that has been submitted by the Standing Committee on Public Accounts that this legislation and the initiatives under PS 2000 be given careful scrutiny. It is also because as members of Parliament we are clients of the Public Service of Canada and all on line and front line government employees who effect programs and services which we deal with on behalf of our constituents. We are directly affected. We must be involved much more so than just scrutinizing the legislation. We must be involved in what is behind the legislation and the changes proposed by this government.

I would also like to speak from the perspective of a member, like many other members in this House, who has public servants in his or her riding. The public servants in my riding of Cape Breton Highlands—Canso are far fewer than those in the national capital region and there are not many highly paid executive public servants. Nevertheless the people who are there on the front-lines of delivering the programs of the Govern-

ment of Canada to the public have an important role. They ought to have a say through their elected representatives in this legislation.

Bill C–26 is the legislative framework for PS 2000, as I have already mentioned. The goals of PS 2000 are clear as they are stated in the government's white paper: "These goals are to foster and encourage a Public Service that is professional, highly qualified, non–partisan and imbued with a mission of service to the public". I wholeheartedly agree with that goal.

Whether Bill C–26 is an adequate vehicle through which to achieve that goal can be questioned. Several of my colleagues in the Liberal Party have raised valid concerns that Bill C–26 does not promote this goal. They have also advanced other valid concerns about this legislation.

I share these concerns. I have solicited the views of regular public servants in my riding and they are worried. Not only do several elements of Bill C–26 cause them concern. So too does the larger political and economic climate in which the Public Service exists.

Bill C–26 delegates much authority to the managerial level. Clause 22, for example, spells out that deputy heads will be able to deploy employees without competition to new jobs within their jurisdiction. Public servants in my riding fear not only that this proposal severely undermines the merit principle and the larger principle of decentralization which embodies it. It may well mean very different things in different communities and in different regions of Canada.

The reclassification system of PS 2000 raises some questions as well. Public servants in my riding see some positive elements of reclassification such as fewer units and simplified bargaining processes. These broader categories, however, could create as many problems as they try to solve and some of the problems could be very difficult to resolve.

How will classification affect employment equity when various job categories are combined and jobs which are female and male dominated will be mixed? This may cloud the numbers and potentially stall the implementation of pay equity laws to which we are all committed in this House.

Pay equity does not only apply in the Public Service to men, women and visible minorities. It applies as well to regions such as the national capital region. Have the goals and the rights of regional public servants been adequately addressed in this Public Service reform package? Will they be dealt with equitably in terms of pay, opportunity and benefits through Bill C–26?

Public Service reform is long overdue. Canadians hold them unfortunately in somewhat low esteem, and public servants have never been so frustrated and demoralized. I am not at all convinced, however, that PS 2000 and Bill C–26 will establish the sense of co–operation and common purpose that is vital within this most important national institution.

I fear that PS 2000 will further destabilize the Public Service by pitting worker against worker, manager versus staff, men versus women, regions versus Ottawa and so on. I am also concerned with the government's failure to ensure that professional, qualified, non–partisan and imbued public servants will actually have the resources and facilities necessary to deliver their talents and to provide the best service to Canadians. If I had more time I could provide a local example which would bear very precisely on this point. I will just summarize and complete my example.

• (1230)

It has to do with the income security program or ISP of Health and Welfare, which is in the process of being redesigned by this government. The redesign will, very conceivably, limit the access of the public to this very vital program to the public servants who administer it and result in, I believe, a great increase in the workload of members in this House and confusion and frustration on behalf of the public. Certainly that is not what this government is trying to achieve with this Public Service reform.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

Madam Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the nays have it.

And more than five members having risen

Madam Deputy Speaker: Call in the members.

[*Translation*]

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

(*Division No. 104*)

YEAS

Members

Althouse	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Bellemare
Benjamin	Berger
Black	Boudria
Caccia	Callbeck
Catterall	Clancy
Dingwall	Dionne
Ferguson	Finestone
Fisher	Flis
Fontana	Foster
Funk	Gaffney
Gagliano	Gardiner
Gauthier	Harb
Harvard	Harvey (Edmonton East)
Heap	Hopkins
Hovdebo	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacDonald (Dartmouth)	Maheu
Manley	Marchi
Marleau	Martin (Lasalle—Émard)
McCurdy	McGuire
Milliken	Mills
Mitchell	Nault
Pagtakhan	Parker
Peterson	Prud'homme
Rideout	Riis
Robinson	Rodriguez
Simmons	Stewart
Stupich	Vanclief
Walker	Whittaker—66

NAYS

Members

Andre	Atkinson
Beatty	Belsher
Bernier	Bertrand
Blais	Bosley
Boyer	Brightwell
Browes	Campbell (Vancouver Centre)
Cardiff	Chadwick
Champagne (Champlain)	Clark (Brandon—Souris)
Cole	Collins
Cooper	Corbeil
Côté	Couture
Danis	Desjardins
Dick	Domm
Dorin	Fee
Feltham	Fontaine
Fretz	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Gustafson	Halliday
Hawkes	Hogue
Horner	Jacques
James	Jelinek
Johnson	Joncas
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Loiselle	MacDonald (Rosedale)
MacDougall (Timiskaming)	MacKay
Martin (Lincoln)	Mayer
Mazankowski	McDermid
McKnight	Merrithew
Monteith	Moore
Nicholson	O'Kurley
Plourde	Porter
Pronovost	Redway
Ricard	Richardson
Roy-Arcelin	Saint-Julien
Schneider	Scott (Hamilton—Wentworth)
Siddon	Sobeski
Soetens	Stevenson
Tardif	Tétreault
Thacker	Thorkelson
Tremblay (Québec-Est)	Valcourt
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	Weiner
White	Wilbee
Winegard—95	

PAIRED MEMBERS

Nowlan	Shields

Madam Deputy Speaker: I declare the amendment lost.

It being 1.13 p.m., I do now leave the chair until two o'clock this afternoon.

The House took recess at 1.13 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

WORLD ICE FISHING CHAMPIONSHIPS

Mr. John E. Cole (York—Simcoe): Mr. Speaker, this past weekend Lake Simcoe was the site of the 1992 World Ice Fishing Championships hosted by the town of Georgina.

This is the first time that this championship event has been held in North America and it is very appropriate that Georgina, the ice fishing capital of Canada, hosted this great event.

Over seven countries were involved in these championships taking place on Lake Simcoe at Jacksons Point and at Beaverton. The organizers worked very hard for over a year to make this event very successful. A new attendance record was set. Thousands of spectators were out on the ice this past weekend.

Families, residents and visitors created a winter carnival atmosphere that added to the festivities. The organizers and residents extended a hardy winter welcome to all visitors, demonstrating the warmth and hospitality so prevalent in this country.

Congratulations are in order for the town of Georgina for a job well done.

Mr. Speaker: I have to ask the hon. member for York–Simcoe: Who was on the side of the fish?

* * *

SOFTWOOD LUMBER INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the Canadian forest industry is once again threatened by U.S. retaliation against our softwood lumber exports.

The second decision by the Americans on whether we unfairly subsidize our lumber or have caused injury to U.S. markets is now scheduled to be made on March 5. Canada has filed over one million pages of evidence in order to make our case.

The federal government says not to worry, the free trade agreement will save us. Given the failure of the trade deal, Canadians and forest communities across the country should be concerned. Free trade has failed Canada and we must keep pressure on our own government so that it does not sell out our forests and our forest communities again.

* * *

[*Translation*]

OLYMPIC GAMES

Mr. Marcel R. Tremblay (Québec–Est): Mr. Speaker, dear colleagues, many Canadians follow with interest the performance of our athletes at the Olympic Games in Albertville. I believe that it is appropriate to take a few moments to pay tribute to some of our most deserving athletes.

Tuesday evening, we watched with great emotion the performance of our figure skating couple, Isabelle Brasseur and Lloyd Eisler, both from Boucherville, Quebec. They won the bronze medal. They kind of "broke the ice", since it was the first medal for Canada in skating since the Olympic Games in 1964.

Beyond medals, it is appropriate to mention the performances of two of our athletes who have obtained the best results ever by Canadian athletes in the history of the Winter Olympic Games. I am talking about biathlete Steve Cyr of Val–Bélair, Quebec, who finished eighth in the 10–kilometre event, and Rob Crossan of Barrie, Ontario, who finished 12th in the alpine combined event.

Before I conclude, Mr. Speaker, let me tell you how pleased I am that our hockey team continues to do very well. Indeed, the Canadian team won its first three games and remains undefeated.

I therefore ask you, Mr. Speaker, as well as my colleagues in the House, to give a big hand to our athletes for their results so far at these games.

* * *

[*English*]

SALMAN RUSHDIE

Mrs. Christine Stewart (Northumberland): Mr. Speaker, tomorrow is the third anniversary of the FATWA, the death sentence put on Salman Rushdie and all those associated with the publication of his novel *Satanic Verses*.

Last March the 15 Khordad Foundation doubled the bounty to $2 million U.S. for the killing of Salman Rushdie. This foundation is a non–governmental organization authorized by law to operate in Iran.

The Iranian government has not condemned the bounty nor has it suspended authorization for the 15 Khordad Foundation to operate. Implicitly, the Iranian government condones the bounty for the assassination of a British citizen.

In spite of this, not only has our government not suspended trade, but it has increased trade with Iran and is actually normalizing diplomatic relations. The government is in a profoundly hypocritical position. Beyond the Rushdie affair our government continues to trade with and do business with a country whose human rights abuses are widespread.

Canadians want to know: Has the minister for external affairs called in the Iranian ambassador to condemn the FATWA, the bounty on the head of Salman Rushdie or insisted on its removal conditional to furthering Canadian relations with Iran? Or are we just waiting for Salman Rushdie to die?

* * *

FOETAL ALCOHOL SYNDROME

Mr. Stan Wilbee (Delta): Mr. Speaker, last September I stood in this House and spoke on the issue of foetal alcohol syndrome.

This terrible condition attacks the infant children of women who have consumed alcohol during pregnancy. It can leave the infant physically and mentally retarded.

Having talked with many parents and care givers of these children, I am struck by the lifelong devastation on the victims as well as their families. The permanent brain damage that results from FAS produces severe anti-social behaviour.

Those involved are left with the despair of knowing that there is no effective therapy that can help socialize the victims of this condition.

It is tragic that these infants are born with the effects of FAS, but what is even more tragic is that this can be prevented through simple awareness. Widespread education including mandatory labelling of all Canadian alcohol products would be a significant step in the right direction.

SOFTWOOD LUMBER INDUSTRY

Mr. Bob Wood (Nipissing): Mr. Speaker, this past September, the government cancelled the memorandum of understanding on exports of our softwood lumber to the U.S. and told us it was on solid footing in doing so.

As we all know, the MOU which was signed in 1986 called for a 15 per cent surtax on our lumber entering the American market. Yet within one month of the decision, the Americans lost the countervailing duty investigation and imposed measures which reinstated the 15 per cent tax for the provinces of Ontario, Saskatchewan and Alberta.

In other words, it took the U.S. one month to negate what it took us five years to do. This tax has devastated many communities in northern Ontario that rely on lumber for their survival.

While the government is spouting its glowing praise for free trade, it is allowing the Americans to dictate to us what our policy should be. Thousands of people find themselves in unemployment lines because of it.

Whatever happened to the secure access we were supposed to get with the free trade agreement? Indeed, if the government felt that it was on a solid footing in cancelling the MOU, why has it not responded in a more forceful manner to yet another attempt of harassment by the United States?

It is time that we started living up to the free trade agreement, the same way the Americans are.

* * *

[*Translation*]

DEGRASSI TALKS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I am shocked by the statistics published recently on alcohol and drug use among teenagers. At the same time, it is comforting to watch a program such as *Degrassi Talks*. Seventy-four per cent of Canadian teenagers drink alcohol. Year after year, the primary cause of death among teenagers is drunk driving. Some 1,200 Canadians die each year because of drug abuse. In the program *Degrassi Talks*, you can see a 17-year-old former alcoholic relate her struggle, as well as a 20-year-old paraplegic tell how he was hit by a drunk driver. By discussing topics such as those in an open and frank manner, the actors

and production team directly help young Canadians and their parents.

Mr. Speaker, I congratulate them on their good work, and I congratulate Health and Welfare Canada and Minister Benoît Bouchard on sponsoring this useful project.

* * *

[*English*]

VELLUPPILLAI JEYARAHAH

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, a Sri Lankan Tamil, Mr. Velluppillai Jeyarahah, is scheduled for deportation today. I am appealing to the Minister of Employment and Immigration and the Secretary of State for External Affairs for clemency in this case. If Mr. Jeyarahah is returned to Sri Lanka, he is destined to die.

Mr. Jeyarahah came to Canada in 1989 and made a claim to be a convention refugee. At the initial inquiry, he was found to have both the eligibility criteria and the credible basis for his claim.

Ultimately, his request was denied and the leave to appeal to the Federal Court of Canada was dismissed. Mr. Jeyarahah has not made claim to the Minister of Employment and Immigration, apparently because he was ignorant of this final avenue for clemency.

Easily attainable human rights information on Sri Lanka states that this man, who is a Tamil male between the ages of 15 and 35, and who professes Hinduism will be considered a potential militant.

Having just returned from a human rights fact-finding mission to Sri Lanka, I can say that Mr. Jeyarahah faces certain death if he is returned.

I ask the minister: Please, on humanitarian grounds, give Mr. Jeyarahah a chance at life. This deportation must be stopped today.

* * *

ASSEMBLY OF FIRST NATIONS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, for several years this government has tried to undermine, circumvent and even dismantle the Assembly of First Nations.

During the 1985 constitutional round, the Nielsen report questioned whether the AFN spoke for its members and proposed cutting its funding.

Five years later the Mulroney government cut AFN core funding by 100 per cent.

In my three years in Parliament, I have watched the government refuse to meet with AFN on the budget, on specific claims issues, on post-secondary education, and on land claims issues.

• (1410)

If you recognize an aboriginal right of self-government, you have to deal with aboriginal representatives on a government-to-government basis. This means accepting the legitimacy of duly elected aboriginal leaders. It means not concluding agreements affecting First Nations without their consent.

Rather than questioning the legitimacy of the AFN leadership or threatening to exclude them from the constitutional process, perhaps the Minister responsible for Constitutional Affairs should request an election to see whether he speaks for more than 12 per cent of Canadians.

* * *

[*Translation*]

COMMENTS BY OVIDE MERCREDI

Mr. Gilles Bernier (Laurier—Sainte-Marie): Mr. Speaker, recent comments by Ovide Mercredi are deeply offensive to Quebec. He misrepresented the facts, both in Ottawa and Quebec City, which is unacceptable on the part of a political leader in the present context. Quebeckers exist as a people and, as such, are not a threat to any other nation or people.

In 1985, under the government of René Lévesque, the Quebec National Assembly passed a resolution recognizing the existence of aboriginal nations. Experts in international law have all recognized Quebec's territory. The Quebec nation includes everyone living in Quebec, and the rights of aboriginal nations will be recognized under the constitution of a sovereign Quebec.

The ignorance, bad faith and contempt shown by Mr. Mercredi have no place in the current debate.

* * *

TAXATION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, a number of constituents in my riding sent me a letter in which they deplored the federal Income Tax Act.

S. O. 31

According to a study published in 1989 by Statistics Canada, 69 per cent of married couples with children under 18 had an average disposable income that was $1,670 lower than if they had not been married to their spouse.

A committee on the family has been created by the Canadian government. The hon. member for Calgary North has proposed that the Minister of Finance introduce a new federal fiscal strategy for families, a proposal that is highly commendable. In fact, I was involved in the work done by the Conservative caucus on this matter.

Many family and religious organizations have criticized the present tax system as unfair, complex and inconsistent, especially in the way it taxes families.

I hope that in the next federal budget, the Minister of Finance will introduce a new federal fiscal strategy for families.

* * *

[*English*]

TOBACCO

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, tobacco is a killer. Each year it takes the lives of 38,000 of our sons, daughters, wives, husbands, and parents. What shameful waste.

This carnage is helped along by the tobacco smugglers who deal in a cut-rate murderous product. For the sake of health, hurrah for yesterday's proposed new $1 per package export tax on Canadian cigarettes. Hurrah, as well, for high fines for smugglers. But as usual, this cash-starved government has dealt with the symptoms and not the cure.

I urge the government to take some of the billions of dollars collected in cigarette taxes and return them to the people who are addicted.

Fund workshops, counselling, toll-free help lines for those trying to break free. Fund nation-wide public education campaigns. Help smokers to quit. I tell this government: Do not just take their money and then turn your back.

HALTON—PEEL SURVEY

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I recently conducted a survey in my constituency and received thousands of comments from citizens.

Alexander Burke of Burlington writes: "Like the Japanese and Swedes and Swiss, we need to build a social contract between government, labour and business to form an us-against-the-world team. We are too confrontational and while we all defend our rights and fight among ourselves, there are other nations and groups taking over the economic world".

This is a theme shared by Ian Graham, a business owner in Inglewood, Ontario. His advice is this: "Hang tough on the budget, get your financial house in order and tell the straight goods. Like the Japanese foreign minister said, our workers are lazy and 30 per cent illiterate. Let's not avoid the issue. Canadians have grown soft from decades of living off our natural resources".

My constituents have a great deal of wisdom to impart and it is my honour to bring their words to this House.

* * *

TOBACCO

Mr. Jim Karpoff (Surrey North): Mr. Speaker, it is not often that an opposition member can rise in this place and say that this government has done something that is appropriate and essential. But I am doing so today because the government has announced it will impose an export tax of $8 a carton to stop cigarettes from being smuggled back into Canada.

The smuggling of Canadian cigarettes from the United States has become an international racket which has promoted organized crime, undercut small Canadian retailers and undermined government revenues and anti-smoking campaigns.

A coalition of eight health groups and I have repeatedly called for an export tax of $10 a carton. In November, the minister of privatization said export taxes were not being considered. However, by February 3 the Parliamentary Secretary to the Minister of Finance said our proposal was being reviewed.

The government has now imposed an $8 export tax despite strong pressure from the tobacco lobby. It is not the full amount we wanted, but eight out of ten is not bad.

I congratulate the Minister of National Revenue and the government.

* * *

INCO

Hon. Alan Redway (Don Valley East): Mr. Speaker, a one cent increase in the value of the Canadian dollar results in a $14 million sales decrease for our giant nickel producer Inco and puts the jobs of its 9,800 employees in jeopardy.

Inco, like all Canadian exporters, can to some extent at least to control its productivity and its labour costs, but it has no control whatsoever over the value of the Canadian dollar.

When the free trade agreement was signed, the Canadian dollar was worth 76 cents U.S. Today it is worth 85 cents U.S. When the free trade agreement was signed the spread between the Canadian and U.S. interest rates was less than 2 percentage points. Today it is almost 3 percentage points.

Sure we have problems with labour costs and productivity, but we cannot solve those in the short run. We can, however, lower the value of our dollar by reducing the spread between Canadian and U.S. interest rates.

Canadians can adjust to the free trade agreement. Canadians can compete. But we must have a level playing field as far as the value of the Canadian dollar is concerned. We appear to be our own worst enemy.

ORAL QUESTION PERIOD

[*English*]

TRADE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Deputy Prime Minister.

Everyone knows that Canadian farmers are the sacrificial lambs in an insane trade war between the United States and Europe. Now Canada has become the whipping boy in an absurd trade war between Japan and the United States.

The United States has decided to hit back at Japan by slapping a duty on Honda cars built in Canada. This is crazy. The government acts as if it was dealing with a technical problem when what we are watching is hardball politics in which Canada is being made the victim.

Does the Deputy Prime Minister even understand what is going on? If he does, can he do a little bit better than yesterday's mealy-mouthed statement that the trade minister was ascertaining the facts?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, we agree with the hon. member that this is indeed a serious situation. We believe the audit that has been done on Honda was not done according to the rules of the FTA. We have made representations to the United States and will continue to do so.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question was directed to the Deputy Prime Minister because this is a matter that affects Canada's ability to export its cars to the United States. I am waiting for his answer.

On June 18, in this House, the Leader of the Opposition asked what the government intended to do to prevent Americans from imposing tariffs on Honda cars built in Canada. At the time, the government claimed it had the situation under control and even accused the Leader of the Opposition of scare tactics. Yesterday, eight months later, the Minister of Finance said that he was trying to evaluate the situation. Why didn't the Minister of Finance do his job eight months ago?

[*English*]

Hon. William C. Winegard (Minister for Science): Mr. Speaker, in answer to the hon. member, we made our objections to the United States as recently as February 12. We had a special note delivered to the United States on this particular issue.

As the member knows, we have already launched one panel on mortgage interest and we are considering launching others.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, once again the great powers of Canada are falling on deaf ears.

I direct my question to the Deputy Prime Minister because this is an issue that touches the livelihood of every auto worker in Canada.

The American presidential primaries start next week and candidates are falling all over themselves to see who can be the toughest on Japan, but Japan has strong leadership and instead Canada is being caught in the squeeze. While the government tries to get its act together, will the Deputy Prime Minister ensure that similar action is not taken against Canadian made Toyota, Suzuki, Hyundai or even GM products. Will he give us that assurance?

• (1420)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as my hon. colleague has just indicated to the hon. member, we disagree with the interpretation of the U.S. customs audit. We have served notice to that effect. We have done so in the form of a diplomatic note.

The most fortunate part of this is the fact that we do have a dispute resolving mechanism under the free trade agreement. The hon. member's leader wants to tear that agreement up. At least we have a fair and balanced method by which we can sort this out in an objective fashion.

As the minister pointed out, we have already launched an action under the disputes resolving mechanism under the free trade agreement and we will launch others if necessary.

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Deputy Prime Minister. Canadian workers should not have to wait for up to three years for a panel to tell Americans that they should not be doing this sort of thing to Canadian exports.

The government said the reason we needed a free trade deal with the Americans in the first place was so that we would not have this kind of harassment.

Now that the Americans have set a precedent with Honda of Canada, what is to stop them from having this same kind of investigation and slapping the same kind of duties on cars made in Canada by the North American big three? For that matter, what is to stop them from doing this to any product of any kind made in Canada and destined for export to the United States?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, there has never been any way that any country could be stopped from launching these kinds of investigations. The only thing that is different and which hon. members on the other side do not want to acknowledge is that now we have chapter 18 under the free trade agreement where we can launch a legitimate appeal.

Hon. Herb Gray (Windsor West): Mr. Speaker, chapter 18 is cold comfort to the 1,500 workers at Honda in Alliston. Yesterday the Minister for International Trade assured us he would be approaching the Americans on this Honda issue "once he had ascertained the facts". The facts are clear. One is that the minister should have approached the Americans on this Honda issue eight months ago.

I ask the Deputy Prime Minister this. Has the Minister for International Trade spoken personally to U.S. trade representative Carla Hills about this Honda matter and has he pressed Canada's case vigorously? Why can the Deputy Prime Minister not tell us that the case has been resolved and we have nothing more to be concerned about, instead of the empty words of the Minister of State.

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the answer to the first part of that question is yes, the minister has spoken to the minister from the United States.

In answer to the second part of his question, we continue to press the United States on the issue. We believe it is not of concern because rules of origin should be settled under the free trade agreement.

* * *

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Finance. There are new signs today of just how grim things are in the Canadian economy.

For the fourth time in four months manufacturing output has dropped sharply. In fact, employment in manufacturing has not been this low since October 1972 and the government's action today in pushing the bank rate up a further 13 basis points is just going to make things worse.

I want to ask the Minister of Finance this. Is the government prepared to let Canada become an indus-

trial wasteland or will it stop the ruinous increase in interest rates which keeps our dollar high and puts our people out of work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I do not know where the hon. member has been over the last number of months. He knows that interest rates have fallen by about 7 percentage points since the high of May 1990. There has been considerable easing in monetary conditions, both on the interest rate side and the exchange rate side.

While there is some volatility in the markets at the present time, I think the hon. member would recognize that interest rates have come down, are staying down, and monetary conditions have moderated substantially.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I am not sure where the Minister of Finance has been. I have been here in this country where there are 1.5 million people out of work, where the interest rate has gone up for the past three weeks consistently, week after week.

We have seen the Bank of Canada raise that interest rate. Yesterday the Economic Council of Canada said that this manufacturing decline will continue unless the government stresses training people, yet government documents show that big cuts are planned for many job training programs.

Will the government take the advice of its own former minister and ambassador for disarmament, Doug Roche, cut the defence budget by 10 per cent and reallocate this money to training programs that will put people back to work and rebuild our manufacturing sector.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member should be reminded of the fact that Canada has the third lowest interest rates of all the G–7 countries.

The only two countries that have lower interest rates than Canada among the G–7 countries are the United States and Japan. Our intention is to get at the root causes of high interest rates by bringing inflation and inflationary pressures down. We have been somewhat successful, thanks to the efforts of the Canadian people and the workers of Canada. We now have a situation where there has been considerable monetary easing which should provide the basic groundwork for recovery.

The hon. member also knows very well that the Conference Board of Canada reported that of all the G–7 countries, Canada will have the best growth rate and the best recovery in 1992. It also pointed out the very serious difficulties that face the economies of all the industrialized world, particularly those of the G–7. It is a world-wide situation but Canada is well positioned.

I might also indicate further to an earlier question that automobile sales in the month of January have shown a 14 per cent increase over the month of December. That should be encouraging.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the minister suggests that we have the third lowest interest rates and then points out that those countries that have lower interest rates are the very countries, the United States and Japan, with which we compete. Those are the countries that are important in this calculation.

[*Translation*]

I have a supplementary for the minister. The manufacturing sector has been hurting ever since this government came to power. The number of jobs in manufacturing is at its lowest ebb since 1972. When will the minister do something to get us out of the present economic recession that is affecting the entire country?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member indicates that two of the countries that we compete very vigorously against are the United States and Japan. That is quite true.

The Conference Board of Canada is convinced that we are going to compete quite well. The board points out in the growth projections for 1992 that Canada will have a 3.2 per cent real rate of growth, the United States 2.1 per cent, Japan 3 per cent, France 2.3 per cent, Germany 1.5 per cent, Italy 2 per cent and the United Kingdom 1.5 per cent. That is not a real satisfactory rate of growth, but it certainly is much better than the countries with which we compete. I indicate to the hon. member that while we share the concern that he has raised in the House of Commons, this is a world-wide situation. Canada is not alone in this situation. We are looking at a number of initiatives. As I have indicated on previous

occasions, we have addressed the problems in the transportation sector.

• (1430)

Mr. Speaker: I think we should move on.

* * *

CROSS-BORDER SHOPPING

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my question is to the Minister of National Revenue.

Yesterday the minister announced measures to reduce cross-border shopping. These measures only address the symptoms, not the disease. The major reason why Canadians are flooding to the United States is excessive taxation at home. The GST, the "go south tax", is forcing Canadians across the border while jobs and businesses are being lost here.

The minister should abandon his strong arm tactics in trying to get the provinces to harmonize their taxes with the GST. Why will the minister not at least lower the GST immediately with no strings attached?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I do not know where the hon. member has been but the package that we announced yesterday, if he has read this morning's clippings, will show that shoppers get a tax break from Ottawa. "Duties ditched to fill shops", "Stores hail tariff cuts on imports", "Ottawa cuts import duties", "Look for bargains", "Duties slashed $60 million", "Tax cuts will keep shoppers at home". That is what we are doing for the consumers, Mr. Speaker.

[*Translation*]

Mr. Bob Kilger (Stormont-Dundas): Mr. Speaker, I have a supplementary for the same minister. Yesterday, when the minister announced his program to crack down on cross-border shopping, he said that he would not introduce any additional taxes. Cross-border shopping is a symptom, a reaction—I would even say a Canadian revolt—against the tax burden imposed by this government. To stop this exodus, will the minister lower the disastrous goods and services tax?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the point I made yesterday, which I confirmed today, is that there are no new or additional taxes for Canadian consumers shopping in Canada. In fact, we have reduced taxes by the elimination of tariffs on some 25 popular products, from VCRs to cameras and sporting goods. In fact, we have moved in a direction which has levelled the playing field and which has prompted business people from coast to coast, such as Steve Kahler, General Manager of Bleeker Stereo & TV Ltd. who said yesterday as a result of the announcement:

> This means we could end up selling goods cheaper than in the United States. This is really good news. Maybe the tables will turn and we will have Americans coming to Canada to shop in Canada.

* * *

INTEREST RATES

Mr. Jim Peterson (Willowdale): Mr. Speaker, today the bank rate went up 13 basis points. This is taking place at the same time as our unemployment is increasing to 10.4 per cent. It is taking place at the same time that we are losing thousands upon thousands of manufacturing jobs. As a matter of fact, over the past three years Canada has lost 325,000, or 15 per cent, of all its manufacturing jobs.

Will the Minister of Finance tell us this: Why is he deliberately increasing the interest rates to keep the dollar up, to keep it artificially high, because it is driving jobs south?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I indicated earlier, the exchange markets have been volatile over the last week or so. It has put upward pressure on the domestic money market rates. The hon. member knows very well that there has been considerable monetary easing, both on the interest rate side and on the exchange rate side. The hon. member knows very well that the Bank of Canada intervenes only to smooth out any erratic fluctuations.

What we are seeing here are the forces of the market at play. The hon. member is quite familiar with that.

MAIL ORDER INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, my supplementary is to the Minister of National Revenue.

The U.S. charges Canadian companies $10 on mail order sales to U.S. customers. Under its new measures announced yesterday, this government charges American companies only $5 for mail order sales to Canadians. Why is this government giving a 100 per cent cost advantage to American companies?

The minister may have a family firm in Buffalo but he has no right to drive more and more Canadian jobs—

Mr. Speaker: The hon. minister.

Hon. Otto Jelinek (Minister of National Revenue): My hon. friend never ceases to surprise me. He is talking about the service fee imposed by the post office on a cost recovery basis. Because of the business plan that has been imposed by this government and the post office in this country, the post office in Canada is far more efficient than in the United States. Therefore we can charge a lower fee for Canadians.

* * *

TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I wish to address this question through the Speaker who will be receiving a much deserved honour in Vancouver on Friday night.

Mr. Speaker: I thank the hon. member, but the question had better be in order.

Mr. Barrett: Last week and earlier this week I had several occasions to rise in this House to ask specific questions of the minister of trade relative to information access for members of this House and for the media to the draft bracketed treaty of the U.S.–Mexico free trade agreement pending.

Is the Acting Prime Minister willing to give this House and the press in Canada exactly the same access that the U.S. Congress has had to these documents? The Mexican Senate and the Mexican press have had two briefings and access to the documents. Is the government prepared to give exactly the same information briefings and access that both the senators in Mexico and the Congress members in the United States have had?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the Minister for International Trade has stated in this House on many occasions that he is quite prepared to give a confidential briefing to members of the committee any time they ask for it.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, that is not the question that I asked. I am aware of the minister's offer.

The Mexican Senate and the Mexican press have access to this information. I have a letter from a Mexican senator detailing exactly what the Mexican Senate was briefed on and what the Mexican press was briefed on. We also have a note from a U.S. committee determining that there is no absolute confidentiality on the briefings in the United States.

I repeat: Is this government prepared to give exactly the same access to these documents that was given to the Mexican senators, the Mexican press and the U.S. Congress as the documents I have show?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I would think that the reasonable thing for the hon. member to do is to first accept the minister's offer of the briefing and then take it from there. So far that offer has not been accepted.

Mr. Barrett: Yes or no?

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Deputy Prime Minister. Last Friday the Minister for International Trade told the House that he had not received any request from farm organizations for an impact study on the Dunkel proposals in the GATT negotiations.

Can the Deputy Prime explain why the minister told the House that when he knows full well that the president of the Canadian Federation of Agriculture, Ralph Jespersen, wrote to the minister on January 10 to ask on an urgent basis for an impact analysis on the Dunkel proposals, and what impact that would have on Canadian agriculture.

• (1440)

Why did the minister tell the House that he had not received a request when he full well had?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, it is my understanding that the question that was answered by the Minister for International Trade was a question relating to the supply management agencies.

The agencies, as the hon. member knows, are not the Canadian Federation of Agriculture.

Mr. Maurice Foster (Algoma): Mr. Speaker, the Canadian Federation of Agriculture is a massive umbrella organization.

In his letter, Mr. Jespersen said: "We are urgently requesting that your department make available to us its analysis of the potential impacts of the proposal on Canadian agricultural industry".

Thousands and thousands of farmers are fearful today that they are going to lose their farms, their livelihood, everything. I wonder why the minister and why the government are hamming around. Why is the government not making available immediately this impact analysis that the Canadian Federation of Agriculture has asked for.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the hon. member has to understand, and I know he does, that agencies which represent the supply managed industries have had a great deal of difficulty in coming to grips with efforts to stay united in presenting their front and their common cause. As you know, Mr. Speaker, as I am sure the hon. member does, agencies which have asked the government if it could provide information and we have agreed, provided they would work with us co-operatively, have said that they will only be able to make a decision after February 18.

Those agencies are having a difficult time arriving at a conclusion among themselves.

* * *

HIBERNIA

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for my good friend, the Deputy Prime Minister, about the Hibernia project.

He will probably know that one of the remaining Hibernia partners, Chevron, indicated yesterday that pulling out of the development altogether is an option for Chevron.

His colleague, the minister of energy, will be in Newfoundland tomorrow to deal with this Hibernia issue. I want to ask the minister what the government hopes to achieve by tomorrow's meetings in St. John's. Is it to keep the project intact? Is it to delay the project, or is it to back away from the project altogether?

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member knows, the minister of energy is in the province of Newfoundland today meeting with the premier of the province and the minister of energy. All companies involved in the project will be meeting tomorrow and at that time, discussions will be held.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I thank the parliamentary secretary for repeating essentially what I said in the question. I want to put a supplementary to the Deputy Prime Minister.

He will know that his colleague, the minister of energy, said he foresees some delay in the project. He will also know that his other colleague from Newfoundland, the minister of fisheries, has said: "No. Business as usual. The minister of energy does not know what he is talking about". Now his colleague in the back benches there adds further to the confusion.

Does the Deputy Prime Minister not feel some obligation, given the great concern in Newfoundland over this issue, to send a clear signal on this issue? I will give him the opportunity to send this signal. More to the point, is the government still firmly committed to this project? What is it prepared to do to see it through to its completion?

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, this government has been committed from day one in this project. The involvement of the companies and their meetings tomorrow are critical to the future of this project.

[*Translation*]

TAXATION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Finance. The present tax system is unfair, complex and inconsistent, especially in the way it taxes families. A number of constituents in my riding sent me a letter in which they indicated that 69 per cent of married couples with children under 18 had an average disposable income that was $1,670 lower than if they had not been married to their spouse. Is the minister prepared to say whether his officials are examining a new federal strategy for family taxation and whether we can expect the details in the next federal budget?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I want to thank the hon. member and other hon. members who have been working on this committee headed by the hon. member for Calgary North looking into the taxation of families for the very good work that they have done.

We have had the opportunity of meeting with the committee and officials have been examining a number of their recommendations.

I can assure the hon. member that we are taking their recommendations seriously, as we have taken other recommendations seriously in the context of the pre-budget consultation. The answer to the hon. member is yes.

* * *

HUMAN RIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is for the Acting Prime Minister.

Mexico's bad record on human rights has not improved in the past year according to this week's report of the Inter-Church Committee on Human Rights in Latin America. They point to fraud and violence in elections and against democratic union movements and institutional torture by the police of Mexico.

Will the Acting Prime Minister assure this House that Canada will not sign a North American free trade agreement until such time as there is international verified progress in respect for human rights in Mexico, including free and fair elections, in keeping with the headlines that the Prime Minister won for supporting democracy and human rights in Paris?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, we are aware of the hon. member's concern in this area. Other members are concerned about environment and other such things.

As he probably knows, discussions are going on among the three countries about all of these issues.

Mr. Dan Heap (Trinity—Spadina): A supplementary, Mr. Speaker.

In order to encourage better practice of human rights, I would like to ask the Acting Prime Minister if this government will invite Mexican and U.S. governments to send electoral and human rights observers to Canada before and during our elections in return for a matching invitation to the Canadian government to send electoral observers to their elections?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I am certain the Secretary of State for External Affairs would be pleased to take the member's suggestion under advisement. I will be sure that she is informed of his views in this matter.

* * *

PENSIONS

Hon. Alan Redway (Don Valley East): Mr. Speaker, my question is for the Minister of National Health and Welfare.

A few moments ago the Speaker of the Senate ruled that a private member's bill which had been passed unanimously by this House on a recorded vote and which—

Mr. Speaker: Just a moment. I am having some difficulty with the question. It refers to matters in the other place. Perhaps the hon. member can put the question on a substantive basis and leave out the references to which he has been alluding.

Mr. Redway: Thank you, Mr. Speaker.

A short time ago this House passed unanimously a private member's bill which provided that late applicants be allowed to receive Canada Pension Plan disability pensions.

That matter is now in question as a result of developments in other places. I would like to ask the Minister of National Health and Welfare if the government would immediately move to introduce a government bill similar to the private member's bill so that some 4,000 disabled Canadians can receive the disability pensions that they have already paid for?

Mr. Speaker: Before the minister answers, I just want to observe that, with the co-operation of the Chair, genius will out.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): You will allow me, Mr. Speaker, to pay tribute to my colleague on the right for his great compassion and tireless dedication to protecting those in need. That being said, I was with the Minister of National Health and Welfare at the latest federal-provincial meeting and at that time he received the authorization and approval of the provinces. He will correct that anomaly and to this end an important amendment should be introduced as early as the beginning of next week.

* * *

• (1450)

ELECTORAL REFORM AND PARTY FINANCING

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, my question is for the government House leader. What does he propose to do with the recommendations of the Royal Commission on Electoral Reform and Party Financing that were tabled this morning in the House?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): As the hon. member I am sure is aware, on matters like this which affect all of us equally as elected representatives, we would want to have the views of members from all sides of the House. Therefore, we will be referring the royal commission report to a committee of this House as soon as we get the committee established. We anxiously look forward to their recommendations.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, my supplementary is to the same minister.

Will the minister advise the House what schedule he is planning to ensure that the committee reports in time for the next election? Will he undertake to provide support for the bill should the committee propose a unanimous report to this House?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the one thing that students of this institution know very well is that delays in proceeding with legislation seldom occur from this side of the House.

Some hon. members: Oh, oh.

Mr. Andre: I am appreciative of what I hope is a commitment from the other side that on this piece of legislation that at least they will be interested in assisting the government.

* * *

PUBLIC SERVICE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is to the Minister of Communications. Citing selected figures which he called staggering and devastating, John Crispo, a member of the CBC board of directors, implied that official bilingualism is working against unilingual English Canadians in their hope and wish of getting high level federal jobs.

An hon. member: Nonsense.

Mr. Gauthier: That is not true. We know that. Will the government explain how it can tolerate having an outspoken critic on important government policy affecting national unity as a member of a board of directors of a Canadian corporation as important as the CBC.

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the government's position with regard to bilingualism is abundantly clear. We support bilingualism. We support equity within the Public Service to ensure that all peoples have a fair opportunity of having employment in the Public Service.

Mr. Crispo's comments were made not as a representative of the CBC, but as a private individual on a private broadcasting outlet.

Some hon. members: Oh, oh.

Mr. Speaker: Just a moment. This matter has been raised before in the House. As a consequence, with the co-operation of all hon. members, there was some

indication that if properly pursued, the question could be put. The hon. minister is trying to answer the question. I think that after all we have put into this, hon. members owe it to the minister to listen to the answer.

Mr. Beatty: Mr. Speaker, I would underscore the fact that in this instance, Mr. Crispo was speaking as a private individual on a private broadcasting outlet. It would be a remarkable change from the traditions of this Parliament and of government if we were required to censor the personal views of appointees to Crown corporations, government boards and commissions.

One of the things that makes Canada such a wonderful place to live in is that we have freedom of speech, including the freedom of speech of individual citizens to disagree with the position of the Government of Canada.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, since the minister says that the government does not endorse John Crispo's divisive statements on official languages, an important government policy, will he ask John Crispo to resign from his position as a director of the CBC?

[*English*]

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the implications of doing what the hon. member would suggest would be of interrogating members of all boards, commissions and Crown corporations with regard to their points of view. If they disagreed with the position of the Government of Canada, they would be rendered ineligible to serve as members of boards of Crown corporations. That obviously would be a form of censorship which would not be acceptable to Canadians.

The government's position is clear. We have consistently supported bilingualism in Canada. We have consistently taken the position that all Canadians must be treated with equity and we have consistently taken a position in favour of freedom of speech in Canada.

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of State for Agriculture. Some time ago, Canadian farmers and milk producers received a message from the government, signed by the minister and some of his colleagues, which said that Canada's supply management system was not for sale and would not be bartered. The government would not abandon a system that was recognized and respected by all its trading partners abroad, because it was an essential part of its long-term agricultural policy.

Are the signatures of the minister and his colleagues still worth something? Are their signatures worth more than the paper they are written on?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, we spent most of the time yesterday discussing this matter, and I believe that last night, parliamentarians on all sides of the House decided to firmly support the government's position at the GATT talks. I believe I am not being partisan if I say that for the past two years the federal government has fielded a position that was developed jointly with Canadian farmers. We supported that position, we defended it, and we continue to do so. I think that deserves to be said, and I am convinced that even people who have a different vision of Canada should fully support what we are doing at GATT.

Hon. Jean Lapierre (Shefford): Mr. Speaker, farmers don't want to hear about the position that has been discussed for the past two years. They all know it by heart. What they want to know about is the results and whether you stand by your commitment. Do you intend to abide by that commitment, and when the time comes to sign the final agreement, will you refuse to sign any agreement at GATT that threatens supply management? Yes or no?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I don't need any lessons from the associate of a former minister who, when he was minister in 1984, was unable to come up with a long-term dairy policy for

Canadian farmers. We put that policy in place as soon as we were elected, and we maintained the supply management system. Furthermore, I think our position is quite clear, and Canadian farmers know our position. We will continue to defend it, bearing in mind, and this is important, that because of the present wording of article XI, our yogurt and ice cream are threatened as a result of a GATT ruling. That is why the status quo is unacceptable and why we must seek a new version of article XI. So that is what we are doing, Mr. Speaker, and I would urge the hon. member to support us in that endeavour.

[*English*]

IMMIGRATION

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister of Employment and Immigration. As the minister knows, a review is taking place within his department at the moment of immigration rules and, indeed, beyond that. The minister will know the medical and scientific community opposes mandatory testing of potential immigrants for AIDS and HIV and that the Department of National Health and Welfare opposes mandatory testing as well.

There is some concern that the review might lead to a recommendation that mandatory testing should be introduced. Will the minister confirm today that no matter what the review process says, he will not permit mandatory testing for HIV and AIDS of potential new immigrants to Canada.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member is referring to a purely hypothetical question. If there ever becomes a need to consider that question, the government will do it in consultation with all concerned.

* * *

ELECTORAL REFORM

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I have a supplementary question relating to the question from the hon. member for Kingston and The Islands on the report today on electoral reform. I understand from the minister's answer it is going to be referred to committee. I have not read the report, therefore I want to hold my rights about a point of privilege. I understand in a general way that the report confirms my position, about which I wrote to the minister. I have had the courtesy of replies from several ministers that there is a very fundamental discrimination against independents collecting money because they cannot give receipts until the writ is issued.

• (1500)

I really hope that the House leader can confer with the other House leaders to remedy that problem before we get involved in the other issues so that we will not have to try to prevent the raising of all money for all parties.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): The hon. member has written to me on this issue and I generally agree with him. He should not be embarrassed about not having read the report. It was just tabled at ten o'clock and is a thousand pages. There is a lot of material there.

I hear the hon. member's representation. I certainly will pass it on to the committee.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have a question for the Minister of Agriculture. A few moments ago the minister said in reply to a question by the member for Algoma in regard to the impact study of the Dunkel proposal that none had been requested by the five agencies in question.

How then can the minister explain the letter that I have in hand, written to him or to the minister of international trade, asking the very thing, signed by Louis Balcaen, president of the Dairy Farmers of Canada? The letter states:

> I am writing to you on behalf of Dairy Farmers of Canada, the Canadian Broiler Hatching Egg Marketing Agency, the Canadian Chicken Marketing Agency, the Canadian Egg Marketing Agency—

Is this not slightly at odds with what the minister said, to put it kindly?

Hon. Bill McKnight (Minister of Agriculture): It may be, Mr. Speaker, that the hon. member will not believe this, but occasionally people change their position.

A meeting was held on January 22 with representatives of the Canadian Chicken Marketing Agency, the Canadian Turkey Marketing Agency, Canadian Egg Marketing Agency, Canadian Broiler Hatching Marketing Agency, at which time they were provided with the revised tariff equivalents.

These were discussed on a preliminary basis with the intention of a meeting to follow on January 28 or 29. The dairy farmers of Canada were also to be present at that time. However, the agencies decided not to discuss this issue any further with government officials until after February 18.

* * *

CROSS-BORDER SHOPPING

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my question is for the Minister of National Revenue. Yesterday the minister unveiled a number of weapons in his war against cross-border shopping. One of them was the potential harmonization of the GST with provincial sales taxes. The federal government now wants to collect both at the border.

Can the minister tell us what possible benefit there would be to Canadian consumers and how does he address charges that this is a tax increase in disguise?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I repeat and emphasize that there is no tax increase for Canadian consumers in the package that was announced yesterday. As far as the specific question is concerned regarding harmonization, obviously harmonization makes common sense. It will eliminate duplication of services, duplication and overlap of programs. One tax, one system is the way to go. The Ontario fiscal outlook tabled a couple of weeks ago by the Ontario NDP government confirms it. It says: "A key difference is the taxation of business. The GST by providing business input tax credits has basically exempted businesses from federal sales tax while Ontario taxes businesses. Broadening the sales tax base or harmonizing could improve economic efficiency for Ontario".

I urge the province of Ontario and other provinces to harmonize as quickly as possible for the benefit of all Canadians.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of the Hon. Harold Gilleshammer, Minister of Family Services of the Manitoba Legislative Assembly.

Some hon. members: Hear, hear.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the government House leader pertaining to the business of the House for tomorrow, Monday, Tuesday, and the remaining part of next week.

Perhaps, Madam Speaker, while the hon. member is on his feet he might indicate to the House in reference to a question that was put to him by the hon. member for Don Valley East concerning the bill in the other place as to when we might see a tabling of complementary legislation in this House for adjudication by members here.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, in terms of business, I trust we will complete second reading of Bill C-26 this afternoon. After that we will be able to commence and hopefully complete second reading of Bill C-41, the energy efficiency act.

I would like to at this point designate tomorrow an allotted day for supply. It is my intention, but I would like to confirm tomorrow, to designate Monday an allotted day as well.

On Tuesday we will begin second reading on an act respecting spending control of government expenditures which will be given first reading tomorrow. In terms of the bill on the amendments to the Canada Pension Plan affecting the disabled, I will put down a notice for that this afternoon.

I believe the bill would be in a position to be brought forward tomorrow but in view of the notice provisions of

our Standing Orders, I would require unanimous consent to have it introduced tomorrow. If that were the disposition of the House, I believe we would be in a position to do that. I will have to confirm that with the ministry of health.

Mr. Dingwall: Madam Speaker, with regard to the tabling of the bill concerning the disabled, I would like to indicate that he can expect and anticipate full co-operation from the Official Opposition to have this particular matter moved expeditiously within this Chamber after it is tabled in the House.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, to my hon. colleague, the government House leader. I wonder if he is able today to indicate when the budget will be introduced.

Mr. Andre: Soon, Madam Speaker. The precise date I am not able to give now, but hopefully the Minister of Finance will be in a position to give the precise time very soon.

GOVERNMENT ORDERS

[*English*]

PUBLIC SERVICE REFORM ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be read the second time and referred to Legislative Committee H.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, when speaking to the bill, the minister responsible for this bill, the President of the Treasury Board, said and I quote from page 6777 of *Hansard* for February 11, 1992:

> Seldom in our history has a program of organizational change been undertaken of the scope and magnitude of PS 2000.

Further in his speech he said, as reported at page 6778:

> I would urge that the committee report back to the House by the end of March. There will be ample opportunity to consider improvements to the bill and I am confident that members will put aside differences and take full advantage of this window of opportunity.

Again this morning we had the parliamentary secretary to the minister stand up in the House and say that he was hoping that in committee the Official Opposition would bring amendments to this bill for discussion. We intend to do that. I just hope the government is in a good mood, a positive mood, an understanding mood because there are amendments needed to this bill and we intend to bring them forward.

We would have preferred that the government do the right thing in looking at this white paper dealing with PS 2000. It was our preferred choice that to avoid partisanship, to avoid misunderstanding, to avoid conflict, that the white paper be referred a special committee of the House or to a standing committee of the House of the government's own choosing for an all-party review of the white paper.

• (1510)

We could have a discussion on the principle as well as the substance of the bill. We could have come forth with an agreement in committee and brought to this House a piece of legislation that would have been more comprehensive, possibly better organized, and possibly better accepted than the present legislation before us, Bill C-26.

This bill, as the minister himself admitted in the House, is a very important undertaking. When we restructured the Public Service of Canada 25 or 35 years ago, the job was not taken up by the government itself. It invited all the opposition members to participate in the committee and a consensus was built up. Ever since then, whenever there were amendments to either the Public Service Employment Act or the Public Service Staff Relations Act, at least in my 19 years in the House, a committee of the House was struck before the legislation was put to the House. We examined the white paper and reported to the House with legislation to follow.

The last time there were amendments to the Public Service Staff Relations Act, the Finkelman report was referred to a special committee. I served on this committee. The Speaker and a lot of members also served. We had long and arduous meetings with Treasury Board, other interested people and the unions to try to bring about better employee-employer relations in the Public Service.

[*Translation*]

Here is a quote from page 90 in the white paper that we have before us regarding accountability: "Mechanical accountability based on simplistic, quantified objectives is not what is needed. Fundamental to effective accountability is the exercise of judgment".

Madam Speaker, I ask you: We, from the Opposition have not been involved in the development of the proposal before us, the preparation of the document. We are told that civil servants were involved, as well as unions. In the last two years, civil servants from departments such as Treasury Board and, I imagine, the Privy Council and even the Public Service Commission, have been involved in an important examination of the changes required.

And now the minister tells us: We are in a hurry; it has taken us, the government, two years to come up with a document that we consider useful but you, the Official Opposition, barely have two months to go through the stages of first reading, second reading, committee review of each section, and third reading. Those are the very words of the minister, who said at pages 6–7 and 7–8:

[*English*]

I would urge the committee to report back to the House by the end of March. It is my earnest desire that the bill receive third reading as soon as possible ".

[*Translation*]

We cannot accept the fact that the Opposition and the civil servants in general are faced with more or less a blunt refusal as regards the important issues that we wish to raise.

As we know, civil servants are worried right now. Their morale is rather low. Is this the right time to bulldoze this legislation through the House of Commons in two months, to go through committee and the whole parliamentary process in two months? Madam Speaker, I tell you that this is not possible; it is not right. We want to be heard, we want to hear the unions, we want to hear those who are affected, namely the civil servants.

The amendments included in Bill C–26 affect important institutions of the Parliament of Canada. How, for instance, can the Public Service Commission, which is an agent of this Parliament and which regularly reports to Parliament on its activities, remain impartial—I ask you that question—and free from any government interfering when its hands are tied with the principal adviser to the minister who, as we know, becomes the head of the Public Service?

We think that this appointment violates the autonomy of the Public Service Commission, which is to report only to Parliament, and thus casts doubt on its ability to defend the merit principle.

The public accounts committee, which I chair, has already taken a position on it. It has seriously proposed that a special all–party committee study the issue and not rush it by using the government majority to force its way. The public accounts committee, as I said, recommended a serious study before legislation is tabled.

I support some clauses of the bill which are meant to strengthen the Public Service; I support the ability of the Public Service to serve the general public and I support improved labour relations in it. We agree with that. However, I oppose the clauses of the bill that affect the merit principle. I think that they are not well explained and it is extremely difficult for us to accept them without clear and precise explanations. Madam Speaker, it will destabilize the public service, I tell you. It will probably cause us serious problems of public perception if the commission makes appointments that are not based solely on merit but on some other criterion.

I am disappointed with regard to certain barriers, including the political rights of public servants. God knows, we have talked about it in this House, and before every election, someone here sees some political advantages and raises the question. Why did the government not amend this bill so as to clearly indicate its policy on public servants' political rights? Nothing in the bill deals with that issue and I for one am disappointed.

The Auditor General of Canada said on page 25 of his annual report: "The reform and renewal of the federal Public Service in a time of global competitiveness, a time of change, is essential to enable it to meet the challenges that lie ahead". I agree with that. I see you indicating to me that my time is almost up.

I cannot support the bill in question. Therefore I move the following motion, seconded by the hon. member for Carleton—Gloucester:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> Bill C-26 be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter referred to the Standing Committee on Public Accounts.

• (1520)

[*English*]

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I want to thank my colleague for moving his amendment. It is a good idea.

This is something that really should be looked at by a committee of the House and reported back. Then the government will have a better idea what should and should not be in legislation that so drastically affects the Public Service.

Maybe it is naive, but I have a wish, some experience and some knowledge that the most desirable kind of Public Service that can serve any government of any political stripe, no matter how often governments change, will conscientiously, diligently work in accordance with the policies of the government of the day.

I attended my first national convention of my party in Winnipeg in 1956 when we passed the Winnipeg declaration. I will remind my colleague from the Fraser Valley that the opening sentence in the declaration was that any society motivated only by a desire for profit is basically immoral. I hope he will keep that in mind in the future.

The guest speaker at that convention was the Hon. Richard Crossman of some fame and note in the Atlee government from 1945 to 1952. He was in government again the next time the Labour Party was elected.

I presume he has passed away now, but I recall him telling us that when they took office most of the cabinet ministers and MPs were first-timers. There were a few holdovers from the days of the Ramsay MacDonald government in the late 1920s and early 1930s. All the rest were relative newcomers.

He was appointed to cabinet and said he hardly knew where the washrooms were. He was frantically trying to set up a staff for his office and figure out the make-up of his department.

After he had been in cabinet four or five days, his senior deputy minister phoned and asked for an appointment for himself and two other senior officials of the department. They agreed on a time and day for them to meet. Of course the first thing that went through his mind was that they were going to resign.

When they met a day or two later the deputy minister laid two sets of documents on the minister's desk. He said that the first one contained the policy resolutions and statements of his party that affected his department. The other set of documents contained several options that he suggested be considered in implementing his policy on each of the issues. That is what I think anyone would call a responsible, disciplined, conscientious Public Service. Within a matter of 10 days of taking office, the new cabinet minister had senior people in his department outlining what the policy of his party was, because they kept track of those things in senior levels in their Public Service, and outlining one or more options for each of the policy matters which affected his department.

If only we could have that now and not this governing by the seat of your pants. Any political party that does not have policies which may or may not work—only experience will tell—or does not have a platform that it runs on and if it wins is expected to implement it, is not worthy of being in office.

Similarly, any senior levels of the Public Service that cannot conduct themselves in that manner are not worthy of being in the senior civil service. That is why I do not get excited when there is a change of government. I think it would be stupid if the new government fired all the deputy ministers and assistant deputies. You would be losing a wealth of experience and dedicated public servants for many years in most instances.

I have no problem with the firing of the people who are brought in on a contract to work on a minister's personal staff. I would not want anybody working for me who was not going to be helpful. If he cannot support the policies of my party and my government or if he cannot be helpful in implementing those policies then I would expect him to resign.

In the case of those on contract, serving on a minister's staff or appointed to a board or something or a commission, I can understand them being canned. You would not want anyone working for you who is going to work against you. I do not blame any new government for getting rid of those kinds of people, but to go around with a meat axe picking on the permanent, dedicated, competent Public Service is not only stupid but it is terribly unfair and unnecessary.

I would like to mention one of the things that we are proud of in Saskatchewan. Back in the 1950s it was felt necessary to establish a new university campus in our province, the University of Regina. The university at Saskatoon was getting too full, we needed more space and we obviously needed another campus. To begin with it was one campus under the University of Saskatoon and later it was divided into two separate campuses.

We are most proud of this university, thanks to a man who was minister of education for better than 16 years in our province. He was the architect of establishing, on the University of Regina campus, a faculty of public administration. It recruited former public servants not just from Saskatchewan, but found some public servants who were willing to leave the Public Service to teach at the Regina campus. The person responsible for that was Woodrow S. Lloyd. We started the beginnings of what was a truly professional Public Service and we were proud of it. When we were defeated in 1964, the new Liberal premier, Mr. Ross Thatcher said in the initial days of his government that they were going to go after the CCF appointees with a meat axe. However, wiser and saner heads prevailed because mainly he left the Public Service alone. He put some new ones in of his choice, which he had the right to do, but mainly he left the Public Service alone.

• (1530)

That is the sort of thing that should be in legislation regarding the federal Public Service. We do not need the Treasury Board deciding what a bargaining unit should or should not be. That is something to be decided between the Public Service unions and each department and then collectively report to the Treasury Board with a total package of what bargaining units there should be.

The bill can do nothing but harm to our present Public Service. It could be changed to bring about an even stronger, better and more professional Public Service rather than the government, through the back door, trying to accomplish things it would not dare do through the front door.

Mr. George S. Rideout (Moncton): Madam Speaker, it is a pleasure for me to speak on this bill, particularly when one considers the number of public servants who work in the riding of Moncton. A very large component of our economy is made up of public servants. For that reason it is important that I speak against the bill because it will have very serious consequences for all those who work for the government and ultimately for all Canadians who deal with the government in the future.

We on this side are of the House are of the opinion that it is necessary to go back to square one and start over again, that we cannot deal with this matter on the basis of Bill C–26. Obviously a special committee of Parliament should go back and take another firm look at the suggestions that have flowed from both the private sector and from the public sector. We could work out a better arrangement which would create a better Public Service in which those who are working within the system could feel that they are making a contribution rather than being cogs in a giant wheel.

I am sure my concerns are shared by this House. The government is dismantling the fabric of this country. We see the attack against things like VIA Rail, the CBC, the postal service and now we see an attack against the Public Service. We wonder what is going to be left when this government is finished with this vicious attack against the institutions which have held us together. My concern is that there may be nothing left if we allow this to continue.

The Public Service linkages between all parts of this country are absolutely essential. They go further than just providing essential services. It is essential that there is an efficient, hard working, dedicated Public Service that provides service equally to all Canadians in all parts of Canada. This bill will contribute nothing toward establishing that goal or that mission for the Public Service.

That is not to suggest that we are not interested in seeing change. There is no question that, as we embark on this new global economy and as we embark on the future, we on this side are not opposed to embracing

change that is necessary. We must look at the fundamental shifts that are taking place in our economy, some of them not all that great as far as the shifts are concerned and are caused in large measure by government policy. At the same time we still must be responsive to a new, revitalized Public Service.

That is why we would like to take a new approach and to see a parliamentary committee really respond to the issues of the day.

There is no question in my mind that the present system in the Public Service does not work. The hierarchical system with everybody feeding into the top is an old system. It goes back to the smokestack–type industries.

For that reason, the Public Service does have to change and we do have to look at new ways of managing the Public Service. We have to make the Public Service responsive and also adaptive. There is going to be rapid change over the next 10 or 15 years and we cannot have a stiff, unresponsive type of system in place or else we will develop a system in which the Public Service will be an impediment to change and an impediment to development. In fact, in the long term it will create a very poor situation for our country.

How do you achieve that type of system? You do not do it through Bill C–26. You do it by working out a new partnership. It is really two partnerships and they overlap.

It is a partnership between the Public Service and the private sector. There are areas in which the private sector can do the job better. Then there are other areas in which the Public Service can do the task better. So we have to work out that partnership.

The second partnership we have to take a look at and work out is in the area of government and the employees, the actual individuals who are working for the Public Service.

I know in talking to a number of public servants that this government and its policies, the strike and all of those things have left a very demoralized Public Service. The Public Service is wondering what its role is and whether it is independent and not subject to the whims and fancies of different governments that happen to be in power at the time.

We have to go back and reforge that alliance between government and the Public Service so that confidence is built up, so those employees see that there is an opportunity to make a contribution to Canada and to provide the essential services that government must provide in an atmosphere in which the government, Canadians, and the employees benefit. That is not the situation now.

We saw the anger and we saw the frustration during the strike. No matter which side of the fence one sits on, one knows after a strike has occurred there is a lot of rebuilding that has to be done.

We on this side feel that a special committee that could take a look at this situation could reforge that new alliance between government and the Public Service and make for a better Public Service and a better relationship.

We look at the future and note that as industry is trying to adapt and change its philosophies and its directions, so must government.

We in this place talk of reform and the things that are necessary in order to make us more responsive and to make us more efficient.

By like measure, so must the people who actually deliver the things we create here. Like it or not, they must deliver what Parliament orders and in those circumstances we have to create the type of Public Service that can adapt to that very rapid change.

I am sure that there are those among the Public Service who are worried and reluctant to change and reluctant to look at the new measures and new methodologies as far as management is concerned in providing services. Deep down, I think that most in the Public Service are looking for the challenge and the opportunity which can be afforded them by a new revitalized partnership between the private sector, government and the Public Service.

In conclusion I should say that we cannot support this bill. There are some good aspects to it. There are some aspects that maybe would do the job.

But we feel, as a general statement and as a general point of view, that we have to go back to square one and take what is good in this legislation and work with the new arrangements and with a new understanding.

What would really do the trick, and I am sure all would agree with me, is if we had a new government which had credibility and could provide leadership, then I think you

would see the Public Service respond in the proper fashion.

• (1540)

[*Translation*]

M. Eugène Bellemare (Carleton—Gloucester): Thank you, Madam Speaker, for allowing me to speak a second time on Bill C-26, An act to amend the Public Service Employment Act and the Public Service Staff Relations Act.

Government has released this wonderful white paper on the Public Service entitled: *The Renewal of the Public Service of Canada*. Allow me to read the first few words of the very first page, and I quote:

[*English*]

"The Public Service of Canada is fundamental to the successful functioning of our democratic institution and our country. It serves Canada ably and has contributed immeasurably to our stable economic and social environment, to our achievements of a modern industrial nation and to our values and indemnity as a people." *Je saute quelques paragraphes et j'arrive à* "Public Service 2000 is the government's initiative to ensure that these expectations are satisfied. We believe that the policy for renewal set out in the white paper will equip the Public Service to serve Canada and Canadians into the 21st century."

[*Translation*]

And it is signed by Brian Mulroney, the Prime Minister of Canada.

This is a fine white paper, fine words indeed. It should certainly be scrutinized by all interested parties, i.e. civil servants, unions, members of Parliament, government services' users in general. Everyone should have a chance to comment on the advisability of improving the legislation governing the Public Service.

The government has introduced a bill.

[*English*]

The law does not reflect the good mission that we see in the white paper. Compare both and all of this in the wake of what has been happening to the Public Service.

[*Translation*]

The fact is that the legislation governing the public service is almost 25 years old. It dates back to 1964 or 1967, and it is time we update it. I agree, but I think that the climate is not right, given the negative sentiment towards the Public Service at the present time. Picture this, an employer who prides himself on having reduced its workforce by 15,000 since 1985, an employer who contracts out instead of giving the work to his own employees, in a place—some government members refer to the headquarters of the Public Service as fat cat city—where all you hear about is deployment, an employer who gave zero per cent increase to his employees this year, a unique year that has seen the biggest strike in the history of the Public Service. There is a lot of uncertainty among the civil servants right now.

[*English*]

Managers have prepared the white paper for Public Service 2000 and obviously the government prepared Bill C-26 to change the law.

It did not seem to care to have the input in a non-partisan fashion by all members of Parliament in a committee that would make recommendations prior to having the second reading of this bill.

Concerning the mission of the Public Service, according to the white paper Public Service 2000 this bill goes against some of these very admirable principles. For example, it says in the mission: "—through members who are appointed and promoted on the basis of merit".

In Bill C-26 the merit principle is effectively gone. As seen in section 10(2), no longer will there be competition in the Public Service. Managers will now write job descriptions to suit the candidate of their choice. There are no safeguards against political and administrative patronage.

Again from the mission statement: "Representatives of the public and the regions of Canada". If the government was really interested in fully representing the Canadian public, as employees of the Public Service it would have made stronger its article on employment equity.

In Bill C-26 clause 5 states that Treasury Board may, I repeat, may provide for the administration of programs for the employment and career opportunities of the

disadvantaged and groups that are disadvantaged by reason of race, sex, colour and so on. Why only may? Why do we use may provide?

A government that is serious about rectifying the situation which women, who by the way as every one knows represent well over 50 per cent of the population, the handicapped and our minorities find themselves today when it comes to obtaining employment and advancement in the Public Service would have put some teeth into this part of the bill.

From the mission statement: "—professionally manage and develop in accordance with the highest ethical standards". Does deployment, which means transfers—transfers by command, you are ordered transferred, you do not have a choice—and the constant threat of a position being transferred at the whim of a manager lend itself to a professionally managed Public Service?

This is not what employees are telling me in my riding of Carleton—Gloucester. They are worried and their morale is at an all-time low. They look forward to a totally management-driven Public Service.

None of these facts will help in attaining the very lofty goal of Public Service 2000, that of providing the best possible service to the Canadian people, while at the same time attracting Canada's best individuals to offer themselves for service to the public.

My constituents are very nervous. Most of my constituents are public servants or rely on the services of public servants. They feel extremely insecure. They feel annoyed by the way they are being treated by their employer. They feel afraid of their managers. They are becoming desperate. They are unsure of any future.

They used to be absolutely dedicated, happy in participating in the delivery of government programs, happy to assist the communities. They were happy to do inspection work, for example making sure that people fly airplanes safely, that medical products are safe and the list goes on and on.

While many of the initiatives in Public Service 2000 are worth while, the proposed Bill C-26 does not reflect the views of Public Service 2000.

I will definitely be voting against Bill C-26 because of the many inclusions and exclusions which I and my fellow caucus members have highlighted during these debates.

• (1550)

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I had a first impulse when I read the description of Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada.

It catches the imagination. One would think that we are progressing. It is a wonderful thing that the government has decided to address the problems of the Public Service. We certainly have known for a long time that there are problems.

I have talked to representatives of the Public Service unions. I have known many of them for a long while. I dealt with many of these people before I was even elected to Parliament. They certainly do have problems.

The first impulse was one of gratitude and looking forward to something positive. One does not have to go very far into the legislation, though, to realize that certainly is not the case. I should not have been surprised, because if this government were anything it certainly was consistent. If it has been anything in relation to its employees over the last number of years, not to mention the people of Canada, it has certainly demonstrated disdain and contempt for both its employees and the Canadian public. It has been consistent in that sense.

This piece of legislation popularly known as PS 2000 is no exception. When we look at almost any particular reference in it, as far as the major classifications are concerned we see under certification that it intends to have a very dominant role in deciding who shall be in a bargaining unit and who shall constitute a group within any particular part of the Public Service. This is without consultation with the unions involved and without consultation with any employees involved.

That really flies in the face of long established employer-employee regulatory bodies in so far as labour relations are concerned over many years in Canada and in all jurisdictions.

For the employer to take a unilateral stand on what shall constitute part of a bargaining unit or not is really a very arrogant stand for the government to take. It is pre-emptory and does not go any distance at all toward solving the problem we have within the Public Service.

The major problem is that over the years there have been changes. There is a need within the Public Service for what in many cases could most commonly be described as reclassification. At least there should be a study of the classifications that are there. That is certainly needed.

The government has described it as classification simplification. On the other hand it has really spent an awful lot of time in making it more complicated. It is certainly not simplifying anything at all.

I do not mean to suggest a reclassification of jobs or a study of jobs for any number of reasons but to make sure that the people within the classifications are properly paid for what they do. That certainly includes the matter of pay equity. There is a whole body of evidence, including cases which have been taken to court by the union representing the Public Service and before the Human Rights Commission.

Invariably the courts and the commission have found that the government has not been treating its employees fairly in so far as many of these matters are concerned. In spite of that the government seems to be hell-bent on a course of unilaterally making these changes in the face of decisions brought against them. The philosophy seems to be if one has not been able to succeed in accomplishing what one wants and has been told that one should change one's ways then the thing to do is to change the law in order to make the situation conform to one's biases.

I mentioned this was predicated on a disdain and a contempt for government employees. I cannot understand why this would be the case. In a fairly short period of time we have had many examples. Since I have been in the House we have had the case where the government has been perpetrating strikes by hospital employees in which the major issue was pay equity. Most of those employees were women. In spite of the fact that the government had received judgments saying it should be paying these people differently, it did not do so.

The same thing happened to the Coast Guard. These strikes happened almost concurrently. Just last summer we had the general strike where one of the major causes was the discontent among the employees caused by the government's disdainful attitude toward them. One of the previous speakers mentioned that in the province of Saskatchewan we had developed an exemplary Public Service. I do not wish to indicate that our present Public Service is not exemplary either. Since becoming a member of Parliament and having dealt with public servants, I must say that we have received nothing but the greatest of co-operation in a most professional way in spite of the fact that they have had such hard working conditions under their present employer, the present government of our country.

The major problem is that there has been a need for a reclassification for a long time. I do not mean to imply that rectifying the problems in the Public Service is going to be simple. In so far as reclassification is concerned, nothing that is worth while is simple. Certainly one of the major issues in the country today and one of the major tasks of the government to make sure that our public servants are well trained. It should make sure they are well qualified and that the Canadian public gets the best service possible from them.

In some cases that may not be the case now, the problem being the structure more than the classifications themselves. There have to be some classifications. This government is proposing to bring in a classification system based on what we have now. Instead of bringing in a thorough, follow-through program based on fairness, it is going to bring in one based on animosity, denigration or antiquity.

PS 2000 is a catch phrase for something sounding good. In the long run it will not be a benefit to the Canadian public and will not address the negative responses of the Human Rights Commission toward the government in relation to its employees.

• (1600)

I urge this government to rethink. I certainly hope it will listen to the committee and its representatives.

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, my friend, the distinguished member for Ottawa—Vanier, has moved an amendment to this motion which would allow the Chamber to do what

needs to be done, that is to have a committee of this House look long and hard at this restructuring of the Public Service.

Speakers on all sides of this Chamber have admitted that what is proposed in this bill is fairly sweeping. I certainly will not stand here and say that everything in the bill is bad. None of our speakers have said that. There are certain things about it that are very good because some of the elements would contribute to the strengthening of the Public Service in its ability to serve the public, and that is a good objective. I am very much in favour of that.

At the same time there are aspects of Bill C–26 which would undermine very drastically the merit principle that says one gets hired by what one is and not who one knows. One gets hired on one's qualifications, not on whether one is prepared to kowtow to some of the senior mandarins in a particular department of government.

That is a sound principle but that principle is being undermined here. That is one of the reasons we in the Official Opposition are saying that this legislation should be sent to committee before rushing to judgment on this one. We should do what the Standing Committee on Public Accounts, a committee of all parties of this House, said last May needs to be done. This legislation and these ideas for reform need to be adjudicated and gone over with a fine tooth comb by members of all parties. Members should be sitting down, not in the partisan atmosphere of the Chamber but rather in a committee where so much good work gets done and can be done in this particular instance as well.

What is so earth shattering about that kind of a suggestion? Why is the government balking on that particular one? It would improve the legislation. If the government means what it says, that it wants to improve the Public Service, let it put its money where its mouth is. The minister of multiculturalism is in the Chamber. Maybe he would want to indicate that the government is prepared to do that. If so, we are prepared to stop talking now and let this bill go forward. That would be the desirable solution. That would allow the committee to come up with some improvements to make the bill not only palatable to all sides of the House but, more to the point, make it better serve the interests it is supposed to serve.

We have in this country from coast to coast what must be one of the best, most professional public services in the world. There are 250,000 men and women who serve this country very well. When I say 250,000, I have in mind direct employees of the government itself. If one includes the Crown corporations, I suppose one would add just about that number again and it would be close to 500,000 people. Whatever category we are talking about, in total we are talking about many hundreds of thousands of people who are on the front line daily in terms of the programs of our government. This is the case for whatever administration happens to be in power.

This is not a reflection on the people who are in the Public Service but their immediate political taskmasters. Unfortunately there has been a real over–effort to politicize the senior levels of the Public Service, and we have seen some unfortunate results of that. We have seen senior mandarins on the TV channels mouthing the government's political line and being apologists and lap–dogs for the government.

Mr. Belsher: You are talking through your hat.

Mr. Simmons: If my friend from Fraser Valley East, B.C., wants some specific examples, I can give him very specific examples. If he wants me to name names on this one, I can name names. Mr. Paul Tellier holds an office that is the most senior in this country in terms of the Public Service. It is an office that has been occupied by many people over the years who have always remained above the fray. To his credit, Mr. Tellier for the most part has remained above the fray. I say for the most part.

I regret to say that on occasion I have seen him being an apologist for our government, and that is shameful. I hope he has learned his lesson because he does neither himself nor the Public Service credit when he does that.

Mr. Belsher: Roger, you have a poor memory. You have a very selective memory.

Mr. Simmons: Perhaps the gentleman from Fraser Valley East wants to help my memory. He suggests my memory is selective. He asked me for examples and I gave him one. Now it is his turn. Does he want to give me one? If he suggests that my memory is selective, I now give him the opportunity. I am listening.

Mr. Belsher: You have the floor.

Mr. Simmons: As he says, I have the floor. Decoded, the member means that his bluff has been called.

This government has very badly managed the Public Service by downgrading, contracting out, replacing permanent employees and so on. It has badly mismanaged the Public Service.

Before I go on to that, let me not leave the previous item I was mentioning as a loose end. I was terribly distracted by my good friend from Fraser Valley East who is too much an apologist for a government that he does not support very enthusiastically any more, but a congenial fellow nevertheless.

I was making a point when he asked for examples, and of course I gave an example. I could give him several more, but this is not intended to be an opportunity to parade out people's names. The one I did parade out had already, by his very act, paraded his own name out in the public anyway. I did not exactly tell any state secrets when I referred to the actions of Mr. Tellier.

I used that example in response to the invitation from the gentleman for Fraser Valley East to make an appeal to those who are under the thumb of this administration not to yield to the pressure to become apologists or lap-dogs for an administration. That will only tear away at the quality of what I have said is one of the best public services in the world. Almost everyone in that Public Service understands the line of demarcation between the bureaucracy and the political taskmasters. Once in a while somebody gets sucked across that line, but that should not be a reflection on the great army of men and women who always understand where the line is and stay on the right side of it. They not only stay there in the passive sense but do their jobs extremely well. Whether they are in Port au Basques, one of the communities in my riding or in the fisheries or manpower office, the fisheries office in Grand Bank or the employment office in Marystown, or anywhere else in this country, they are people who are serving this country very well.

• (1610)

That is all the more reason why we ought to take our time on this fairly sweeping bit of legislation. I recommend the solution of my friend from Ottawa—Vanier. It is very simple. Just vote for his amendment. Send it to a committee and let members from all sides of this House scrutinize this fairly sweeping legislation so we can come back with better, much improved legislation.

What does the member for Fraser Valley East have against that eminently good idea? Is it because it is a good idea? Why does he not embrace a good idea for a change? I invite him to do so.

Ms. Mary Clancy (Halifax): Madam Speaker, I want to compliment my hon. friend and colleague, the member for Burin—St. George's, on the remarks he just completed. He was unduly harassed by the hon. member for Fraser Valley East somewhat earlier in his remarks, when he suggested that the hon. member for Burin—St. George's was talking through his hat. I can only say that it is a wonder, after the things this government has done to Atlantic Canada, that anyone from Burin—St. George's or anywhere in Atlantic Canada can afford a hat.

At any rate, it gives me great pleasure to rise again in this debate and speak as the member of Parliament for Halifax, the city which has the third largest Public Service contingent in the country.

When I spoke at another stage in this debate some days ago I spent my time talking mainly about the problems relating to regional rates of pay. I also mentioned pay equity. Both of these problems are singularly unaddressed by this legislation. I do not wish for a moment to suggest, when I go on to different matters in my remarks today, that I think the two areas of pay equity and most particularly regional rates are any less important, but there are other problems with this legislation.

I would like to say at this point as well that I too support most strongly the amendment of my learned colleague from Ottawa—Vanier. I think this would be a most excellent way to deal with this legislation.

The Government of Canada is the largest single employer in the country and should be in the vanguard of progressive employment practices. It should be a model of fair practice and implement equal pay for work of equal value. It should eliminate regional rates of pay and resolve employee-employer disputes in a manner that shows the private sector and the provincial, municipal and territorial governments of this country how it should be done.

In the long and excellent history of the Public Service in this country that has been the way things were done. But things have changed and unfortunately they have not changed in any way for the better.

For example, rather than resolving long-standing pay equity disputes, this government tries to strip the Canadian Human Rights Commission's tribunal of its powers to arbitrate pay equity disputes by taking it to court. Rather than allow for the right to strike and bargain collectively, the government engaged in a fruitless, lengthy and acrimonious strike with the Public Service, further demoralizing and leaving it with a very low level of morale.

The infamous zero-three-three, read my lips, was the pronouncement of a government unwilling to bargain in good faith. It was unwilling to compromise, negotiate, discuss or even listen. Even before bargaining began the government had already decided it would legislate the workers back to work and impose the zero-three-three formula on the Public Service.

The possibility of reaching a compromise via arbitration and conciliation was therefore thrown out. It was an exercise in futility because the government said it would override any settlement that did not conform to this formula.

That is terrific. What a tremendous example to set in the area of labour relations. What a tremendous way to inculcate in the people of Canada some feeling of trust in their government. Sadly the words trust and government have become mutually exclusive. Sadly for all of us who sit in legislatures across this country, it is going to be a long time before those words mean anything to Canadians again, at least in the political sense.

Given this government's track record it is not surprising that Bill C-26 is found wanting in several areas, most notably in the realm of merit and fair staffing practices. The following are just a few examples of the attempt to do away with the merit principle.

It evaluates candidates according to a set of standards rather than employing a ranking system in which one candidate is compared to another. This could translate into the best candidate not necessarily being chosen for the job.

The principle of hiring the most qualified person is replaced by the principle of hiring a qualified person. It gives deputy heads the exclusive right to deploy staff permanently, i.e. to hire and move staff around within the deputy head's jurisdiction without competition. Theoretically deployment is voluntary but acceptance of deployment may be included in terms of employment any time an employee is hired or moved to a new position or level. In such cases an employee would have no choice and would either take it or leave it. These changes are referred to as appointment to level as opposed to appointment to a position through competition.

What is wrong with competition? Why is the government eliminating this aspect of fairness in its Public Service?

Another example is that a 90-day casual employee clause creates a new sub-class of employee with no rights or benefits. Casuals may be hired without regard to qualifications. The 90 days can be extended to 125 days, but there are no safeguards against them becoming full-time continuing casuals if they are working for more than one department. And guess who are likely to be the major victims of this kind of legislation? Can anyone guess? I bet the minister can. Who does the minister think I am referring to?

What class of people do we think? I bet my colleague from Ottawa—Vanier knows which class of people are most likely to be injured by this. We all know. The minister is nodding; he knows. It is women, that is who. That is the group of casuals with no benefits or job security. Terrific. This is from a government allegedly committed to pay equity. Well, we shall see.

Another example is increased contracting out. Contracting out is probably the single most devastating morale breaker in the Public Service of Canada. People see their jobs disappearing. They see themselves being replaced, and they see a government that wants to downsize to the point where the standards they have worked hard—many of them for many years—to establish in government departments no longer mean anything. Again who are the most likely people to lose, as jobs are contracted out? The lower levels. Who are in the lower levels, in numbers that far exceed their

percentage of the Canadian population? Women. But this government is committed to equity and justice and fair play and all of those wonderful buzzwords. A little action rather than buzzwords would be a major relief, particularly for public servants.

What do we have with contracting out? What comes with it? Do the words patronage, favouritism and punitive measures, as well as based upon a manager's personal likes and dislikes or the whim of the government of the day, come with it? But of course this government does not have whims. We can all remember years ago when a Prime Minister, who came to office supposedly on a rising tide against patronage, mentioned the fact that he certainly would appoint non-political people to positions as soon as the very last living member of his party had been taken care of. I guess, although there have been some changes in that manner, one cannot teach too many old dogs too many new tricks.

This legislation undermines the merit principle, leaving all but the original hiring and limited promotions to a discretionary group, with no backup in policy in the Public Service at large. It is very sad. It deals a terrible blow to a superb Public Service that deserves better, but has received nothing but hard knocks and disillusionment at the hands of its own government.

The much recognized need for increased flexibility for management is not adequately offset by the arbitrary exercise of staffing authority and the loss of the merit principle. This appears to be something that the government does not understand.

• (1620)

I only have a moment or two left and I would like to conclude briefly by going back to the issue that is of primary concern in Atlantic Canada, the issue of regional rates of pay.

At present Atlantic Canadians have the lowest rates of pay for designated occupational categories such as the general labour and trades group and the general service group. These differences in pay reinforce the already glaring disparities between the standard of living in Atlantic Canada and that in the rest of the country. These differences in pay contribute to the unequal development of Atlantic Canada as compared to the development of the rest of Canada. These regional rates of pay cannot be justified on the basis of a lower cost of living.

It is simply an illusion to think that the cost of living is lower in our part of the country than in central Canada. Equal work must enjoy equal rates of pay. This is a hallmark of an equal society. The government should listen for once.

[*Translation*]

Madam Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Willowdale—The Economy; the hon. member for Malpeque—Education; the hon. member for Okanagan—Shuswap—General Agreement on Tariffs and Trade; the hon. member for Nepean—Breast Implants; and the hon. member for Mackenzie—Agriculture.

The hon. member for Saanich—Gulf Islands has given me written notice that she is unable to present her motion during the time reserved for private members' business on Friday, February 14, 1992.

[*English*]

It has not been possible to arrange an exchange of positions in the order of precedence, pursuant to Standing Order 94(2)(a). Accordingly, I am directing the table officers to drop that item of business to the bottom of the order of precedence.

[*Translation*]

Pursuant to Standing Order 94(2)(*b*), Private Members' Hour will therefore be suspended and the House will proceed with the business at hand.

[*English*]

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, I too wish to enter into the debate on Bill C-26. I will not be long. My friend, the former chairman of the finance committee, wants to enter into this discussion as well. We are all anxious to hear what little gems of wisdom our colleague and friend can contribute to this debate.

I want to join with all of the speakers I have heard this afternoon in condemning aspects of Bill C-26. That is not to say that we entirely condemn everything that is in the bill. Common sense would tell us that there are things in this bill that require a parliamentary process of going through committee, preferably in a non-partisan way, to work on this bill and to bring out some changes in it. In many ways Bill C-26 reflects a government that is driven more by ideology than by experience or common sense.

It is an ideology that attempts to portray the Public Service as lazy, bloated, inefficient. It tries to score political points from the Public Service. We can all find examples of ineffective public servants just as we can find examples of ineffective clerks in stores or ineffective executives in the high-rise office towers. We have human beings throughout, whether it is in the Public Service or the private sector, who are good and who are not good.

Unfortunately this government has tried to gain quite a bit of political mileage by sort of stomping on the Public Service.

The unfortunate part is that the government seems to believe its own rhetoric. We have in Bill C-26 a reflection of that. It is a reflection of a government that is at war with its own workers. That is unfortunate. It is not just unfortunate for the government, but it is unfortunate for the country.

In a more enlightened day and age, enlightened people recognize that workers and management have to work together. Management cannot do it on its own. Workers cannot do it on their own. We need a co-operative environment in which people are working together, sharing a common goal, and then attempting to deliver the services in such a way that they are the most efficient, most cost effective, et cetera.

If a government were serious about saving money, the best people who could save money are its own employees. They know when too much paper is being used or whether a trip is really necessary. If you are at war with your own employees then you are going to have those employees fighting back and sabotaging you. It means waste, inefficiencies, and increased costs, and it is the Canadian people who suffer.

What are some of the main aspects that we find unacceptable in Bill C-26? First, it gives the Treasury Board the authority to determine bargaining units unilaterally. An important point to workers is who determines what bargaining units they are in.

Bill C-26 gives that power unilaterally and totally to the employer. This goes against what is included in all other labour legislation, including the Canada Labour Code which gives this power to a labour relations board.

The government in many ways is exempting itself from the Canada Labour Code, from its own legislation. If the Government of Canada can claim to be able to do that, why should many of the other private companies not try to claim the same type of right? It underlines existing labour legislation in the Canada Labour Code.

The second thing we find objectionable is that the bill gives managers the right to deploy or to transfer at their discretion within the levels. To give this power to the Treasury Board rather than to the Public Service Commission where it should belong goes against rulings of the Federal Court of Appeal which said that removing the right to compete for or to appeal a transfer within a level seriously undermined the merit principle.

We have the Federal Court of Appeal making a decision. This government, rather than complying with the decision of the court, goes around and changes the legislation. So much for the sense of the rule of justice.

The third aspect that we find objectionable about Bill C-26 is that it gives the government the power to eliminate jobs in the public sector through contracting out. The government now, we understand, spends some $5 billion a year in contracting out, but there is no accounting for this expenditure.

The Auditor General, in the Standing Committee on Public Accounts, has asked for some accountability of the cost effectiveness of this practice. The government refuses to supply that information. Again, I go back to my original comment that Bill C-26 is more politically driven, ideologically driven, than by a sense of good legislation and what is good for the country and the people of Canada.

Take the case of contracting out. The government wants to be able to claim politically how many jobs it has eliminated, that it has cut the fat out of the bureaucracy in Ottawa.

• (1630)

The people back home know that the people who are being laid off by this government are the people who supply the services, the people who do the actual work. The top echelons generally remain untouched. The government then lays workers off and it contracts out. It claims to be saving money, because it does not have to make any pension contributions, et cetera, to workers who come in under contract.

The government is incapable of showing to the Auditor General and the public accounts committee how effective this practice is. Is it really saving us money? I suspect it is not, but what it has done is alienate many of the employees of the government.

In this day and age, if we are to survive economically as a country, I believe we have to move very strongly to where there is almost a social contract between the various productive elements of our society.

There must be mutual understandings and agreements between the private and the public sector and between employers and employees. Look at some of the examples and models. Look at many of the European countries and we find models that allow for increased efficiency and effectiveness through a co-operative process in which the employees and the employers are working together toward common goals.

What we have, especially with this government, is the opposite. We have an adversarial system in which the employers and employees are at war with each other, and it is the public that suffers. This government is to be blamed for that. It has deliberately created this war, very often for political purposes. Quite often it thought it would win political points by pouncing on public servants. It thought it would be great for its standing in the polls.

An hon. member: Not really.

Mr. de Jong: Exactly, not really. It has not worked that way. It is the opposite that has worked that way. As with so many things of this government, it thought one thing would happen when exactly the opposite has happened. It thought it would win political points by stomping over the public servants, but the opposite has happened.

In closing, I would like to mention that for a while I worked in the Public Service in Saskatchewan and there were two ways of describing ourselves. We could either look at ourselves as government employees or we could look at ourselves as public servants. I always liked the notion of a public servant. Part of the reason I entered into the Public Service in Saskatchewan was my sense of public service.

Many of the government employees are saying: "We are not being treated as public servants. We are being treated just as employees with management trying to get the most out of us, and therefore we would rather see ourselves being called and termed as government employees". I am afraid that is what has happened. The sense of service is being destroyed, not because people do not want to serve but because they are being treated badly by their employers and they have to do everything they can just to protect their dignity and their rights.

The legislation is poor legislation. This government is not going to be here two years from now. I suggest it should quietly sit on it, not introduce and proceed with Bill C-26 if it cannot come up with something better. At least the new government that will replace it will come up with proper legislation and the proper reform needed.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I was distracted by the member for Ottawa South. I was actually sitting here in anticipation of his participating in the debate because he is a member who has had a lot of experience in motivating people in the private sector. This bill is fundamentally about how to motivate and mobilize the largest work force in Canada to work for the people of Canada.

What we have right now is a situation in which the morale of the Public Service is so low that, as the hon. member for the New Democratic Party said earlier, the real loser in this friction between the political culture, namely the government and the bureaucratic culture, is the population of Canada.

The biggest crisis we are facing is unemployment. I have been saying that repeatedly for the last two weeks. One area in our country that could really do a lot to put people back to work is the sector in our economy under the umbrella of entrepreneurship. There are close to one million entrepreneurs in this country and if each one of those entrepreneurs were to take the chance and hire someone, put someone back to work, then the spirit and the morale of this country would be a lot better off.

One of the reasons the entrepreneurs of this country right now are taking such a conservative approach, an approach which is basically hesitant, is that they are getting signals from all parts of the economy, all members of the government and even public servants. They are getting signals that the institutions of this country are not working correctly.

Right now our business people are coming into contact almost constantly with public servants. I hear repeatedly from businessmen their feelings on the attitude of public servants toward their particular frustration. Whether it be the GST situation and forms that have to be filled out, whether it is assistance from the Federal Business Development Bank and how to get their eligibility for a loan processed, whether they are eligible in various

regions of this country for small business loans or grants or whatever, whether it is people who are looking for retraining programs and companies that are trying to keep people employed, they go into employment offices and get a sense that the will of the Public Service, the will of the bureaucrats, is not really there to serve the people of Canada.

I do not want to make a blanket statement on all public servants because I spoke on this bill earlier and I happen to think that one of the great treasures of this country is the Public Service. I have been working around this city since 1978 and some of the finest people I have ever met in my life are employed with the Government of Canada. I say that with all sincerity.

We can take an institution that employs close to 300,000 people and see the number of people it touches day in and day out in a 10-hour to 12-hour day. If the morale of that organization is not strong, there is no debating the fact that it can affect the attitude of all the people it touches. In Canada we have a Public Service which touches every aspect of our daily lives.

• (1640)

The specific area that I am concerned about is the Public Service and how it interacts with the business community in this country. This includes small, medium and large businesses.

I want to give a positive example. About five months ago there was a company named Amertek that manufactured fire trucks in Canada. It was going through a particularly tough period in terms of its cash flow, and the Canadian Commercial Corporation was managing its contract. The officials at Amertek were appealing to the government agency for financial assistance because they needed help in order to meet the demands their bankers were putting on them.

The officials at the Canadian Commercial Corporation came in and did an audit on the company. They saw that it was eligible for the bill it submitted which was due and owing. They literally went to the bank in Ottawa and wired the money to the account of this small business. It is an example of where a public servant went beyond the call of duty and served not only the employer of that company but indirectly served everyone working in that factory. It gave that company added cash flow and a burst of security. It has kept the company going. Now it has rebounded and is doing better than ever. It is that kind of attitude of going the extra mile that is so critical when times are tough.

There are also many examples where we are not getting the quality service that has always been part and parcel of this great institution, namely the Public Service of Canada, because its morale is so bad.

I support the approach of my colleague, the member for Ottawa—Vanier, that this bill be given a much more thorough analysis. I have said repeatedly that public servants are used as scapegoats or battering rams if all of a sudden things are not going well in government. We always say: "Look at those public servants. They just are not doing their jobs".

What we have to realize is that we are as politicians inextricably intertwined with the Public Service. If the Public Service is not serving well then it is a mirror of those of us in this room. So often we forget that. If people are complaining about the Public Service, ultimately they are complaining about us. We are the people responsible for the caring, approachable, action oriented Public Service that must be a part of the community service in this country.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, as chairman of the Standing Committee on Public Accounts back in 1989, 1990 and 1991 let me say that our committee held several hearings on the PS 2000 document that the government tabled.

We did so because the Auditor General, with whom the committee works day after day, suggested that there were problems in the Public Service of Canada that needed to be ironed out for the sake of efficiency within government itself. The thing that came through loud and clear in our hearings as a committee was that Public Service 2000 was not being given enough attention. Employees were not being consulted. The consultation was from the top down, not with the regular front line

employees who have to face the public day in and day out in their jobs.

A considerable amount of disagreement was pointed out by the people who appeared before the Standing Committee on Public Accounts at that time. It proved that a real open discussion on the government's Public Service 2000 document was absolutely essential.

After we had those hearings we brought in a report to this House of Commons with several very important recommendations in it on several meetings we had. At this time I would like to repeat, for the benefit of the House and for the record, recommendation 18(a). We recommended in our seventh report that the government table a discussion paper prior to proceeding with the introduction of legislative amendments and/or administrative changes and that this discussion paper set out the principal conclusions and recommendations arising from Public Service 2000.

Part (b) referred the aforementioned discussion paper to a special committee of the House of Commons.

The Standing Committee on Public Accounts, as you well know Madam Speaker, must have hearings on practically every government department and agency. The Auditor General's report is very thick. There is a lot of work in there. It means a very heavy job for members of this committee. We did not have time to carry out this total report on our own. We recommended that a special committee of the House of Commons on the Public Service conduct a consultation process involving employees, Public Service unions and other interested parties, and report back to the House within a reasonable period of time.

If I remember correctly I tabled this report in the House on November 8, 1990. We wanted a report back from the government by November 30. The Standing Committee on Public Accounts has the right to put a timeframe on its demands of the government and it is up to the government to meet those demands.

That special committee became the subject of several pieces of correspondence between me and the President of the Treasury Board. He committed himself to set up such a committee for hearings and then proceeded to fail to do so. He did not live up to his own commitments to the Standing Committee on Public Accounts. This committee brings people before it from all levels of the Public Service of Canada including senior officials from the Treasury Board and senior officials from the Privy Council. How can a parliamentary system work if we get commitments from them and those commitments are not lived up to?

The bottom line is that the government did not bring in a paper we wanted for discussion, laying out its main objectives. The committee was never established. There were no such hearings. Therefore there was no open, broad discussion before a committee on the Public Service 2000 document of the government. As a result, what did the government do? It handled it in its usual high-handed manner. It ended up bringing the legislation into the House.

• (1650)

Let us make the comparison with what has happened in the past on these issues dealing with the Public Service of Canada. The Public Service is supposed to be non-political in its everyday operations. Therefore it is important that there be fairness and independence from politics in the way it works from day to day.

In the late 1960s we had the Finkelman report. There were many meetings on that paper. That is why the Standing Committee on Public Accounts recommended that a similar procedure take place this time. First there were many committee meetings on the paper itself, as well as many on the legislation. Then the legislation came into the House and was referred to a special committee. Something like 118 recommendations were brought in with that bill in the late 1960s. The bill had the most amendments of any bill returned to this House of Commons. I remember the chairperson of that committee was Mr. Jean-Thomas Richard, the long-time member for Ottawa East. Presently this is the territory held by the hon. member for Ottawa—Vanier.

He did an excellent job then. Members of all parties worked so effectively and so well together on that committee that when that bill was brought back before the House of Commons for final reading and passage there was very little debate on it. Instead members were thanking and congratulating each other on the co-operation that existed in committee. As a result the bill passed

through the House very smoothly, simply because the proper groundwork had been done in advance.

For the reason that very little discussion has taken place with regard to the legislation brought forward right now on Public Service 2000, I totally agree with my hon. friend, the member for Ottawa—Vanier, that the motion of the government should be amended. All the words after the word "that" should be deleted and the following substituted therefor: "That Bill C-26 dealing with Public Service 2000 be not now read the second time but that the order for second reading be discharged, the bill withdrawn, and the subject matter thereof referred to the Standing Committee on Public Accounts, and that the public accounts committee bring a report back to this House as to how the bill should be handled from thereon".

No doubt one of the recommendations would be a special committee to have those hearings.

I mentioned the commitment of the President of the Treasury Board to the Standing Committee on Public Accounts. That commitment was not met. This is not surprising, because the government does not know how to deal with its own employees. It does not know how to go about reforming the framework of the Public Service. It does not know how to work with opposition parties in this House. It dictates to them also.

The reason is very simple. This government is anything but reform minded in the sense of reforming legislation and reforming everyday operations of government. It is a reactionary government. It is a dictatorial government. It is a government that directs the country's business from on high and has little or no relationship with everyday Canadians.

The departments of government are staffed by some excellent public servants.

I have had the privilege over the years of dealing with excellent public servants from many government departments, whether it be Energy, Mines and Resources, whether it be Public Works, whether it be Industry, Science and Technology, whether it be National Defence where we have a large number of very dedicated public servants, External Affairs and so on.

These people put themselves out to come to meetings that we have. They will come to our offices and discuss matters. I just want to pay them a tribute. They deserve better. If we are going to have a professional Public Service in this country they deserve better treatment than they are getting from this government now.

I ask the government to open up the discussions. Free up the discussions on this bill. Take it back, submit it to a special committee of this House and let the discussions go on. It will be an improved bill when it comes back to the House that will be acceptable, probably not only to the opposition but to all public servants. Do them that favour.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, like my colleagues who spoke before me on Bill C-26, I also want to support the amendment of the hon. member for Ottawa West, which reads as follows: That Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the public service of Canada, be not now read a second time but be read a second time this day six months hence.

I believe it is important to revise the Public Service Act so that all Canadians can benefit from quality services, wherever they may live. To provide these quality services, it is essential that the Public Service treat every one of its employees with respect, without favouritism and, above all, without intimidation.

The Liberal Party knows that partnership between the public and private sectors is the only way to build our country. Everyone must be aware that they are part of the Canadian economy, from non-governmental organizations to the public sector, and including unions as well as ordinary Canadians.

The Liberal Party does not want to pass a law that could in any way adversely affect the quality of services provided by the Public Service. We must all be able to study these changes thoroughly.

[*English*]

This bill is of fundamental importance to all Canadians because it deals with the very people who are there to deliver the services of the federal government to the citizens of this country. I am dismayed that the Conservative government has decided to pursue this particular course of action.

Members on this side of the House support clauses in this bill that contribute to strengthening the Public Service. We support any and all initiatives that will increase the accessibility of services to all Canadians. We agree with any move on the part of the federal government that will improve relationships with its employees.

Canadians are tired of confrontation. They do not want to see the government and its employees bickering. Whereas the Conservatives are more inclined toward confrontation and enforcement, we in the Liberal Party believe in dialogue and fairness. If members of—the Public Service are not treated with dignity, then the entire workings of the federal government are compromised.

The Liberal Party has urged the government to establish a special committee of Parliament to consider the principle of the bill as well as its substance in the total context of PS 2000 as recommended by the public accounts committee.

It is important for us as parliamentarians to take our time on the renewal of the Public Service. Mistakes that we make today could affect the performance of the federal government for many years to come.

It is particularly important to deal with this matter at this time because we are in a serious national unity debate.

I can only speculate on the effects that a demoralized bureaucracy has on services and how this might impact on Canada's unity debate. We must establish the special committee so that we can truly work together to find a formula that will give Canada a Public Service that it truly deserves.

This government simply cannot manage the affairs of this country. Because of this ineptitude, service to all Canadians is suffering. Its inability to deal fairly with public servants has had a devastating effect—

[*Translation*]

Madam Deputy Speaker: Unfortunately, I have to interrupt the hon. member.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADA LABOUR CODE

MEASURE TO AMEND

Mr. Lyle Kristiansen (Kootenay West—Revelstoke) moved that Bill C-240, an act to amend the Canada Labour Code (unjust dismissal), be read the second time and referred to Legislative Committee B.

He said: Madam Speaker, in addressing Bill C-240 for probably the second or third time in the last number of years there are just a few comments I want to make. Whether I will take the full 20 minutes I am not quite certain.

The substance of the bill, as stated within the bill itself, is:

> Subsection 94(3) of the Canada Labour Code be amended by striking out the word "or" at the end of paragraph (f) thereof, by adding the word "or" at the end of paragraph (g) thereof and by adding thereto the following paragraph: (h)—

To put it in context it would say that no employer may

> (h) suspend, discharge or impose any financial or other penalty on a person employed by him, or take any other disciplinary action against such a person, by reason of that person having refused to perform an act that he has reasonable cause to believe is prohibited by law.

It is a simple bill and the idea behind it is very straightforward. There is nothing hidden or very complex about it.

It ought to be in the public interest for this Parliament to pass an amendment to the Canada Labour Code that would help all employees under federal jurisdiction in assisting the government in enforcing the laws of Canada. That seems to be a reasonably noble objective to almost anyone.

This bill in itself probably would not do enough in some circumstances to cause employees to take the risk involved in losing their employment by refusing to carry out a direct order, which normally in industry is a cause for dismissal.

But this bill, together with other types of law enforcement mechanisms, together with the processes of grievances and arbitration and the courts, and with other types of amendments to other pieces of legislation, commonly called whistleblowing legislation, may assist many employees across Canada in having the gumption to take the risk involved. They might then refuse to carry out certain instructions from their employers that could

place both their employers and themselves in contravention of the law if those instructions were carried out.

To give a couple of examples of areas in which this might happen, it may be a necessary tool or a worthwhile tool in terms of the protection of the environment.

It is not uncommon across Canada today to find many employees who are required on a regular basis to discharge toxic substances into waterways or into areas that the law forbids. This is even despite the limits of pollution control permits and other legislation and regulations that are designed to prevent a company from making those kinds of discharges.

In many industrial towns, in a number of industries—and these are not necessarily under federal jurisdiction, but some of them will be—it is a standing joke among employees in a particular industrial operation and among the citizens in the community that as soon as it gets dark, just shine a spotlight.

It would be very obvious that a lot of discharges are taking place into a river that ought not to take place, not only from a moral or ethical or environmental judgment, but also according to the laws of that province or the laws of this nation.

It has become such a common occurrence for that kind of practice to take place that it is necessary for this Parliament and other legislatures to send some kind of signal out to people in the working community that they do have the right to say no. They should have this right without putting their livelihoods and the livelihoods of their families at risk.

Surely, that is the least they should expect from Parliament whose job it is, presumably, to pass laws for the protection of the public and to create mechanisms to enforce those laws.

The appeal that I am making is to allow employees to assist in the enforcement of the laws of the land. I know in previous debates in this place and in many private discussions, there were many who objected saying: "There is obvious opportunity if someone refuses to carry out an order that would obviously be illegal. Surely, the grievance procedures and the arbitration procedures and the courts will come to their assistance".

That is not always the case. Even more so, a lot of working people do not believe that is the case. If they do not believe that is the case, they are not going to place their livelihoods at risk and sometimes 10, 15, 20 years of seniority in order to enforce a law or in order not to place themselves in the position of violating the law.

It is again a matter of making them feel comfortable in the role of helping us to enforce the laws that we pass.

Another example is we have had many, many media reports when it comes to the collection of fees and duties, et cetera, at border crossings. For many customs officers, there is a large amount of moneys that ought to be public revenues escaping across those borders when goods are shipped without proper manifests and proper bills of lading being filled out and supplied.

Goods are smuggled across and I suggest sometimes that it likely happens on the direction of someone other than the truck driver involved. It becomes a matter of practice over the years.

When that kind of activity is carried on, especially with the cutbacks there have been in the Public Service, an awful lot of revenue that ought to be collected is not being collected. One reason would be because employees do not feel that they can put a halt to it themselves and have any guarantee that their jobs and their livelihoods will be protected.

We all like to believe that people would say: "You are asking me to do something that is against the law. There is no way I am going to do it". In the real world when you have years and years of earning capacity at stake, people just do not take those chances.

There was another private members' bill just a week ago, I think it was on February 4. It was submitted by my colleague, the member for Mission—Coquitlam, and was legislation concerning whistleblowing. Again, part of the purpose of that bill coincides with the bill that is presently before us. It would approach it from a different angle. It encompassed amendments to several pieces of legislation in order to accomplish its task, but it stated it in a more positive way that employees would have the

right to blow their whistle on an employer if they felt that they were doing something wrong. This goes the other step and attempts to protect their livelihood.

• (1710)

It is also somewhat similar to the provision within the Canada Labour Code. I believe it is section 128 of part II of the Canada Labour Code where an employee has the right to refuse work when that employee has reasonable grounds to believe that the performance of such a task would place his life in jeopardy or may cause injury to himself or to others. The same kind of principles are involved.

For years and years and years, until 1984, we had similar kinds of objections in this House to that kind of legislation, which was cast in the dying days of the Parliament that ended in 1984, as are made against this legislation and against the bill that was submitted by my colleague for Mission—Coquitlam just a week or so ago.

People at that time also believed that if the matter went to grievance through arbitration or through the courts that surely the laws of the land, the courts and the judicial system would serve to protect the right of someone to protect their own life by refusing direct orders, but that did not happen then until we had those kind of laws. It is still sometimes difficult to get employees to take the kind of risks that are necessary to protect themselves. If they are being asked to take risks of their own livelihood in order to help enforce the law, it is even farther fetched to think they are going to take that kind of gamble. People simply do not do that. Anyone who thinks they will, except on the odd occasion where somebody is really so conscientious that they think: "God, this is against the law and even if I am going to lose my job and my livelihood and my pension rights and everything else, I am going to help enforce that law because I am a good citizen", has got to be dreaming if they think that ordinary employees out in the labour force are going to behave like that. They simply do not.

There are, regardless of party, philosophy and ideology, a lot of members of Parliament and a lot of members of provincial legislatures whom I still think are very much liberal idealists. It does not matter if they are Liberals, Tories or socialists or what they are. There is a tendency for a lot of people to think, as they come out of the school system, that just because the law says something, it is so, or because we say that people have these rights and those rights that they have those rights. They do not in many cases.

Even with this kind of legislation, if it were passed, and I hope that at some stage it is, along with the kind of companion whistleblowing legislation I referred to and others, we are still going to have severe difficulties. It is hard to even enforce this kind of very clear legislation unless you have a unionized workplace with a very strong militant committee that will ensure that its members understand what their rights are and are willing to fight along with those members to ensure that their rights are protected and the rights that are protected under the law will in fact exist.

I have no illusions that even if we have all of these kinds of protections that everybody in society is still going to be protected if they want to be good citizens. It will help to give them at least a feeling of security that Parliament has said very clearly that they do have these rights. The law makers of the land will assist them if that employee chooses to assist Parliament and law enforcement agencies in the courts in upholding and enforcing the laws that we have deemed it suitable to pass.

I really do not want to say much more. It is a simple concept. I think it is a worth-while and an important concept, but again, I do not have any kind of illusions that this would wave any kind of magic wand to make it an ideal society.

Again, if it helps to give employees under the federal jurisdiction some sense of security, it is our intent to protect their livelihoods. If they assist us in enforcing the laws that we pass, we will have done something worth while. I hope other members agree. I know it needs additional improvements. There are probably companion pieces of legislation and amendments that may be worth while to make to the bill before us, hopefully within a committee, to give it teeth and provide safeguards against abuse or misuse by employees. That is also a possibility. I do not deny that.

I think the concept and the goal is worth while. I hope other members will agree and we will refer it to Legislative Committee B as stipulated and find it possible to proceed.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I appreciate having the opportunity speak on Bill

C-240 introduced for the consideration of this House by the hon. member for Kootenay West—Revelstoke, one of my fellow B.C.ers.

In the brief remarks I will be making on the bill, I want to indicate to hon. members of this House that I shall take a short review of the Canada Labour Code which makes it readily apparent that the code contains already several measures in which the protection of workers under its jurisdiction is already provided for.

Consequently, I am doubtful that the bill's recommendations for change are necessary. Yet, I understand the feelings of the hon. member opposite and his deep concern, because he has come from a trade union background, as I recall in meeting with him in various committees.

In fact, the bill might have some undesirable consequences that we should be aware of when considering its clauses. One of my colleagues will be outlining these in a few minutes.

It may be useful to provide members with a general overview of what Bill C-240 proposes and what currently exists in federal labour legislation. The bill suggests an amendment to the Canada Labour Code which applies to employees in federal jurisdiction. The spectrum of industries under the jurisdiction of the code is very broad in scope and covers a wide range of economic and industrial activity.

The range of industries covered by the code's jurisdiction encompasses the different modes of interprovincial and international transport, including railways, airlines, trucking and bus transport. Encompassed as well are the telephone, telegraph and cable systems, shipping, longshoring, broadcasting, banking, pipelines, ferries, tunnels and bridges, primary fishing and most Crown corporations.

Also included are certain undertakings that have been declared by Parliament to be for the general advantage of Canada, including grain elevators, uranium mining and processing, flour and feed mills. These are the industries to which the code applies and which would be affected by the hon. member's proposals in Bill C-240.

To be clear on what is being suggested by this bill, the hon. member for Kootenay—Revelstoke recommends an addition to the unfair labour practices section of the code, section 94(3), a paragraph that would prohibit an employer from discriminating against an employee who refuses to do an act required by the employer but which in the employee's estimation is believed to be unlawful.

The words of the proposals are:

> No employer or person acting on behalf of the employer shall:
>
> (h) suspend, discharge or impose any financial or other penalty on a person employed by him or take any other disciplinary action against such a person by reason of that person having refused to perform an act that he has reasonable cause to believe is prohibited by law.

A brief reading of section 94 of part I of the code will indicate the numerous prohibitions against unfair practices by an employer against an employee that are related to industrial relations. For example, under section 94(3)(f) an employer cannot discriminate against an employee because the employee refuses to do something that would be prohibited by the labour code. In other words, if something is prohibited by the code and an employee refuses to do it, an employer cannot penalize him or her. There are protections in the code to support the employee in this regard.

• (1720)

Another example of the protection afforded to employees can be found in part II of the code which deals with the right to refuse to do dangerous work. If an employee has reasonable cause to believe that conditions exist that pose a danger, he or she may refuse to do the work. The employee may not exercise the right to refuse work if the refusal puts the life, health or safety of another person directly in danger or if the danger is inherent in the employee's work or is a normal condition of employment.

An example of such a situation might be where a flight attendant discovers threatening conditions of an aircraft and reports them to the flight captain for repair. The unsafe conditions constitute a legitimate grounds for a refusal to work. However, the flight attendant does not have the right to refuse to work once the deficiencies have been corrected.

The procedure under part II of the code requires that an employee must report a dangerous situation to his or her employer and to a member of a safety and health committee if one is established or to the appointed safety and health representative, if any. On receipt of the report the employer must investigate the report in the presence of the employee and one member of the safety and health committee where one exists. If this results in an employer's or committee's decision that no condition or danger exists but the employee continues to reason-

ably believe in the existence of a situation of danger, he or she may continue to refuse to work but both the employee and the employer must then seek an investigation by a Labour Canada safety officer. If the safety officer decides that a situation of danger does not exist, the employee can no longer refuse to work.

The employee may nevertheless require the safety officer to refer his or her decision to the Canada Labour Relations Board. A determination of the matter by the board is final.

These procedures establish safeguards that serve to protect the employees rights to refuse to do work that would endanger his or her person without fear of reprisal or retaliation by an employer, including dismissal. An employee dismissed or exercising this right under this section of the code has the right of appeal in this case to the Canada Labour Relations Board.

These provisions were reviewed and improved upon during the last round of major amendments to the Canada Labour Code in 1984. The hon. member for Kootenay West—Revelstoke undoubtedly feels that the amendments proposed in his bill would bring about a further improvement in the rights of a worker to refuse to do work he or she considers contrary to the law. No member of the House, I am sure, is likely to be against improving the rights of Canadians. However, I would suggest that Bill C-240 does not break any new ground. It does not add anything new to the Labour Code.

I have cited examples of protection to aggrieved employees under the Canada Labour Code to various forms of redress against wrongful dismissal resulting from an order by an employer to violate certain provisions of the code. The protection afforded to employees through the Canada Labour Code in this regard is comprehensive. Clearly an act in violation of the Canada Labour Code is subject to punitive provisions of the code itself, as it should be.

I would also suggest that in cases in which an employee is ordered to carry out an act which contravenes the law other than the code then recourse for the application of the appropriate penalties exist under the Criminal Code.

Therefore I respectfully submit that the existing provisions of the Canada Labour Code provide the necessary coverage that workers need in the matter of their right to protection against arbitrary retaliations by an employer. The proposed amendment while well intentioned, and I can understand the hon. member's concern, should at this time not be adopted. We should continue with the code as it now is.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, I thank you once again for recognizing me. It was mentioned by the members who spoke earlier that the Canada Labour Code came about in 1984. I am happy to say that at the time I was involved in clearing up the wording of the labour code. I have very carefully read the amendment that is put forward by this Bill C-240. I would tend to agree that the thrust of the amendments to be made are surely made in good faith. For that, I commend my colleague from British Columbia.

On the other hand, I am inclined to believe that the labour code, as it is set out covering the federal jurisdiction, has given ample clout to the employee to refuse work he or she believes to be illegal or dangerous.

There is no question in my mind that if an employer asks an employee to do something illegal, this clearly contravenes not only the Canada Labour Code, but the criminal law. The hon. member for Kootenay West suggests that criminal law would not or might not cover an employee who refuses to work under these circumstances. I suggest the hon. member must lack confidence in the laws of our land.

I do not have a background as a labour union person. However, I have worked in situations where I did belong to a union. While the overwhelming majority of employees in unions are good, conscientious workers, I think under some circumstances employees might use this in a mischievous way.

I read the interview that the hon. member went through when he appeared on December 4, 1991, to more or less defend his bill to be brought into the House. The hon. member stated at that time it is not always credible to believe that a citizen is going to say that he will not do something illegal because he fears he will lose his job. I submit to you that many of our citizens do have the courage of their convictions. I would grant them the

benefit of the doubt to say they would speaking up if they were asked to do something illegal.

One of the questioners at the time, the member for Kingston and The Islands, asked if this would include refusing work which would be hazardous to a person's health. Here I find myself squarely on the side of the member for Kootenay West. I believe that if an act is illegal, it is going to be covered by the Criminal Code and definitely by the Canada labour laws.

When you come into the area as to whether an act or a job will be dangerous to a person's health, it brings me back to situations which have occurred in our history before. The asbestos strike in Quebec was because of health hazards for the people who were working there. The people were right at that time to strike because of the general work conditions and conditions that were injurious to their health.

Today, we hear more and more about the environment. We hear for example about the dumping of chemicals into our rivers and lakes. This should definitely be stopped. Is the hon. member, in putting forth his private member's bill, suggesting that workers, unionized or not, across Canada do not have a stake in our environment? Is he suggesting they will not tell the authorities if something is being done that they believe to be injurious, not only to their health, but to the health of their fellow citizens? If that is so, I suggest to you with all respect, Madam Speaker, that these people are doing a disservice to our nation.

• (1730)

I would encourage anyone who is engaged in this type of activity to surely tell the authorities so we can act on it properly.

The environment is something that belongs to all of us. Unless we as Canadian citizens are prepared to defend it by whistleblowing if necessary, I think we are in jeopardy as a nation.

I read over the labour code this afternoon and have virtually immersed myself in it over the past two or three weeks since I became the labour portfolio critic. I am reasonably secure in my knowledge that the labour code will indeed cover just such a case as this amendment proposes to stop.

I believe that the labour code, federally, is perhaps much stronger than those of the provinces. With all respect to my hon. colleague, I believe that all provinces should have labour codes as strong as the federal code with regard to the matters of protection for the employee if he or she is doing something illegal or injurious to their health. Perhaps this should be addressed in the provincial legislatures.

My party believes it is always necessary to review whatever legislation we have, and I include here the Canada Labour Code, to see how we can strengthen it and make it better for our citizens.

Although Bill C–240 tends to bring our attention to the Canada code, I am not sure it will bring about the desired effect the hon. member believes it will.

At this point, I believe this legislation needs further modification to change the labour code to make it beneficial to all of our citizens. I think it needs a little more work, but I compliment the member for bringing it to the attention of this particular section in the House, so we can once again make sure the legislation serves our people.

[*Translation*]

Mr. Jean–Luc Joncas (Matapédia—Matane): Madam Speaker, I am pleased to rise today to take part in this debate on Bill C–240 introduced by the hon. member for Kootenay West—Revelstoke. Hon. members will appreciate the importance of ensuring that our labour laws are current and relevant in addressing the circumstances we find in federal industries under the jurisdiction of the Canada Labour Code.

This bill seems to have been introduced in response to the hon. member's assessment of an isolated event described by him when a similar proposal was debated in this House in 1983. The proposed amendment is being introduced in the Parliament of Canada to address the actions of a handful of employers.

When amendments to the Canada Labour Code have been made in the past, they have been introduced in response to changing circumstances in federally–regulated industries. Actually, legislative amendments should be contemplated in the context of a requirement for such

inervention by Parliament. It is incumbent upon the sponsor of a bill to demonstrate that new or improved legislation is needed to protect and promote the rights of Canadian workers in the workplace.

The presentation of such evidence during the honourable member's introductory remarks might have persuaded us that the proposed amendments are required and should be adopted. We have already heard of the way in which an employee is protected against acts of discriminatory behaviour by an employer who might, for instance, counsel an employee to carry out an act which would breach the law under the unfair labour practices section of part I of the Canada Labour Code. We have also been apprised of the right of an employee to refuse to do dangerous work. The avenues of appeal available to employees and the safeguards in place to protect employees exercising such rights against discrimination by the employer have been explained. These latter procedures are contained under part II of the Canada Labour Code.

Part III of the code contains yet another separate section under labour standards dealing with unjust dismissal and I want to comment briefly on these provisions because they are yet another important example of the way in which the employee is protected against unjust treatment by an employer. The unjust dismissal provisions of part III of the code provide an employee with the right to make a complaint in writing within 90 days of his or her dismissal to a federal inspector if the employee considers the dismissal to be unjust. This part of the act applies to employees in federal jurisdiction who have completed 12 consecutive months of continuous employment with an employer and who are not members of a group of employees covered by a collective agreement.

Under this provision, the employee or the inspector may make a request to the employer for a written statement giving reasons for the dismissal. Any employer who receives such a request is obliged to provide the person who made the request with such information within 15 days. An inspector, on receipt of a complaint, shall endeavour to assist the parties to the complaint to settle the complaint or will appoint another inspector to do so. A complaint that is not settled at this stage can be referred to adjudication. In fact, where a complaint is not settled, the inspector, within a period of time that he or she considers reasonable, can refer a written request for further action on the complaint to the next stage, which is adjudication.

The Minister of Labour may then appoint an adjudicator to hear the complaint. The adjudicator is to give full opportunity to the parties to the complaint to present evidence and make submissions. The adjudicator shall consider whether the dismissal of the person who made the complaint was unjust and render a final decision thereon. Where an adjudicator decides that a person has been unjustly dismissed, he or she may order the employer who dismissed the person to pay compensation, reinstate the person in his employ, and do whatever is equitable to require the employer to counteract any consequence of the dismissal.

In reflecting upon these legislative clauses and the attention to detail contained therein, I am impressed by their comprehensiveness. These provisions, in conjunction with similar protections in parts I and II of the Canada Labour Code, comprise a thorough legal foundation, a foundation that has been constructed with the rights of workers in mind. In this case, this legal foundation serves to protect the right of the worker from dicriminatory actions by an employer.

In closing, my remarks have covered what I believe to be two important considerations relating to bill C–240. First, several legislative safeguards are currently in place to protect employees from discriminatory treatment at the hands of their employers. Indeed, I see no evidence to change my view that the present industrial relations climate does not warrant such legislation.

Second, if this bill were to be adopted, I believe it would be rendered redundant by the fact that the existing provisions of parts I, II, and III of the Canada Labour Code are comprehensive in the protection afforded to the rights of canadian workers.

• (1740)

[*English*]

Mr. Scott Thorkelson (Edmonton—Strathcona): Madam Speaker, I am very pleased to be able to participate in the debate today on this private member's bill.

What the private member is attempting to do is introduce legislation which would toughen up the Canada Labour Code. The effort is very laudable. He

believes that there is a perception out there that workers feel that if they report or if they are asked to do an illegal activity and they report it, they would be punished for doing so.

I would argue that this protection already exists in the Canada Labour Code. It exists through grievance procedures, it exists through the unjust dismissal procedures, and so on. There is a fine in the Canada Labour Code which is the result of a lot of consultation and refinements over the years. There are a lot of fine checks and balances which do provide that protection, especially to those under federal jurisdiction.

From the intent of this bill people might believe that management asks its employees to break the law and do illegal or dangerous activities. I do not believe this to be the case so much any more. Management today is quite responsible about that sort of thing. We have provincial labour practices and the Canada Labour Code.

Employers and firms coming under the jurisdiction of the Canada Labour Code, such as companies operating in the transportation, communication and other major industries of national importance, play a key role in the Canadian economy.

The hon. member for Kootenay West—Revelstoke introduced this bill in response to a specific isolated incident which occurred in his riding many years ago. I believe it had to do with pulp mills. The proposed amendment does not accurately portray the current state of employer-employee relations in industries under federal jurisdiction.

There are many penalties which can be imposed on an employer by the Canada Labour Relations Board, and the board plays an important role in these aspects. When an employee has been disciplined for refusing to perform an act that he or she had reason to believe was prohibited by the law, the board may order specific action to be taken against that employer.

One example of such a penalty is that under section 99 of the Canada Labour Code, the Canada Labour Relations Board may order an employer to reinstate an employee who has been laid off or otherwise discriminated against. It may order the employer to pay to an employee compensation that he or she was forced to forgo as a result of this discrimination.

We have two examples. The employer can be required to reinstate the employee and pay that employee compensation. Also, the board may ask the employer to rescind any disciplinary action that may be taken against that employee. Those are strong regulations in the Canada Labour Code.

What this member is doing is introducing a bill which if passed would supplant the penalties in the Canada Labour Code and impose others. I do not believe this might be appropriate. Is it appropriate for the Canada Labour Relations Board to become involved in disciplinary matters resulting from attempts by employees to enforce legislation other than the Canada Labour Code? The Canada Environmental Protection Act, for example, sets out specific protection for persons who have attempted to enforce that act.

Section 58(4) of the Canada Environmental Protection Act states: "Notwithstanding any other act of Parliament no employee of a department, board or agency of the Government of Canada or of a corporation to which any regulation made under 54 applied shall be disciplined, dismissed or harassed for making a report".

Each law of Parliament has its own disciplinary provisions. The Canada Labour Code has its own, and each is applied to each jurisdiction.

I would like to emphasize that Parliament is in the best position to determine the seriousness of the obligations any given situation might impose and the remedies that are likely to be most appropriate to the circumstance.

In the case of labour relations, the prohibitions and penalties or method of redress established for labour relations purposes under the Canada Labour Code are not likely to be commensurate with the requirements of other pieces of legislation. The prohibitions and remedial measures in the code were established to give meanings to the rights granted to employees and employers under the code. They should not be expected to perform a function different than their original purpose.

Workers who have been subject to discriminatory treatment by employers, because they have attempted to enforce the provisions of legislation, already have recourse to numerous protections that have been described by other hon. members in this debate.

I would like to comment briefly on a course of action open to employees that has not yet been mentioned. We have already heard a number of examples of the protections that are available to employees directly in the provisions of parts I, II and III of the Canada Labour Code. I mentioned those before. The Labour Relations Board may be able to step in. It would rescind any disciplinary action. It would ask to reinstate the employee and the employer could be made to give a payment to an employee. There are others.

One that has not been mentioned is the grievance procedure. There is a grievance procedure because if you are in a period of collective bargaining, let us say there is an agreement for two years, during that period there are to be no strikes by the union or lock-outs by the company. During that two year period, for example, there has to be a method of solving disputes and that is the grievance procedure. We have a grievance procedure to which employees can avail themselves.

The grievance procedure provides an avenue of appeal for employees covered by collective agreements. For those not covered, there is the unjust dismissal provisions of part III of the code. These address the rights of the unorganized, non-union employees who are not covered by collective agreement. The grievance procedure provides an appeal procedure for other employees.

I would like to indicate that when our labour laws were constructed, they were constructed with enforcement penalties appropriate to the Labour Relations Act and consistent with the spirit of the intent of labour legislation. For this reason, and because of the numerous methods of appeal available to employees in support of their rights, I would respectively submit that Bill C-240 should not proceed any further.

I would very much like to compliment the member for Kootenay West—Revelstoke for bringing it to our attention. It is a laudable bill. The spirit of the bill can be admired, but I believe that employees have many recourses of action to which they may avail themselves. They have full protection under the law. This has worked out to be quite a strong protection and has worked well up until now. Therefore, I do not believe that we should proceed further with this bill.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Madam Speaker, I have listened with great interest to the debate on private members' Bill C-240. Those who have taken part in the debate have presented for the consideration of hon. members the results of their reflections on the content of the bill introduced by the hon. member for Kootenay West—Revelstoke.

• (1750)

Over the course of the debate today on this bill, we have heard much about the intended purpose of the bill. We have also heard about some of the practical difficulties or legislative conflicts which might arise in implementing its provisions.

Hon. members who have spoken in the debate have made a number of useful and constructive observations, and some of these remarks stand out as particularly relevant. We should keep these in mind as we consider the acceptability of the proposed amendment.

One such line of debate has been to the effect that several legislative avenues currently exist to protect employees against unfair treatment by employers in situations in which they refuse to carry out an act that is contrary to the law. Because of these protections found in the existing legislation, Bill C-240's recommendations for change have been described by some as being redundant.

Part I of the Canada Labour Code, for example, protects the rights of workers to refuse to carry out an act that is prohibited under the code. These protections would prevent an employer from discriminating against or treating an employee unfairly by an alteration in pay, a suspension or dismissal where the employee refused to carry out an employer's directive that is specifically forbidden by the code.

Another example is found in the health and safety provisions of part II of the code. These procedures establish safeguards which serve to protect the employee's right to refuse to do work that would endanger his or her person without fear of reprisals or retaliation by an employer, including dismissal. An employee dismissed for exercising this right, under this section of the code, has the right for appeal and, in this case, to the Canada Labour Relations Board.

Part III of the code, under labour standards, contains a section dealing with unjust dismissal. It provides an employee who is not represented by a trade union with the right to make a complaint in writing to a federal inspector if the employee feels that he or she has been unjustly dismissed.

There are provisions for written statements by the employer outlining the reasons for the dismissal as well as for further stages of appeal, including involvement by the federal inspector and the appointment of an adjudicator by the Minister of Labour.

At the adjudication stage there is a full opportunity for the parties in the complaint to present evidence and make submissions prior to a final decision.

Reference has also been made to the fact that unionized workers under the code are covered by collective agreements which generally contain grievance procedure mechanisms. The grievance procedure provides an appeal procedure for employees covered by the contract who feel that their rights have been abridged along the way. The unjust dismissal provisions of part III of the code address the rights of the non-unionized employees who are not covered by a collective agreement. The grievance procedure provides an appeal procedure for organized employees covered by the collective bargaining regime.

In addition, it should be noted that provisions found within the Human Rights Act give prominence to the role of the citizen in society and mandate the Human Rights Commission to hear complaints by the individual.

If there is an alternative review procedure available to the complainant that ought to be exhausted, or if there is another act of Parliament with a more appropriate procedure for dealing with the complaint, the commission, that being the Human Rights Commission, will direct the complainant in the most effective course of action.

It was pointed out by a previous speaker that labour relations issues often border on subjects within the purview of the human rights legislation. Given this fact, the Human Rights Commission can clearly be a practical alternative avenue of appeal for employees who might be the victim of the discriminatory treatment contemplated by Bill C-240. It is a treatment and a concern that certainly the member who has proposed this bill has been concerned about.

I found it especially interesting to note the concept of progressive discipline and its importance before adjudicators in appeal proceedings in federal jurisdiction industries. It is clearly a process that encourages fairness in the treatment of employees in disciplinary matters.

The practice of issuing warning letters to employees in writing not only documents the disciplinary process but also provides an encouragement to employers to treat their workers with fairness.

In the context of Bill C-240, the process implied in this concept would also encourage employers to refrain from counselling workers to act in ways that would be contrary to the law.

An important comment was made earlier in the debate in the reference to the provisions of the Canada Environmental Protection Act. The act explicitly protects individuals from discriminatory measures or ultimate dismissal because the individual seeks to enforce the provisions of the act.

This protection is specific to the Environmental Protection Act just as the current provision, section 94(3) of the Canada Labour Code is specific to the code and not to some other act.

I agree with the earlier speaker in questioning the appropriateness of having the Canada Labour Relations Board, as provided in Bill C-240, involved in disciplinary matters related to attempts by employees to enforce legislation other than the Canada Labour Code.

This illustrates the point that each type of legislation should have its own enforcement mechanisms and penalties appropriate to the nature of the particular legislation and Parliament is best equipped to make such a determination.

In the case of labour relations, the prohibitions and penalties for a method of redress established under the Canada Labour Code were established to reinforce the rights granted to employees and employers under its jurisdiction.

The Acting Speaker (Mr. Paproski): I believe the hon. member's time has expired. The hon. member for Bramalea—Gore—Malton has another couple of minutes before six o'clock.

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker, previous speakers have outlined a number of major objections to the bill under consideration today, Bill C–240.

They have argued that measures already exist to protect workers who might be forced by an employer to carry out an act that contravenes a particular law. As detailed in their remarks, there are several ways in which an individual worker is protected against the form of discrimination described in the bill.

In my opinion, the adoption of this bill would only serve to confuse the functioning of our current legal structure since it would subject certain matters that are dealt with in other legislation to labour law, as found in the Canada Labour Code.

• (1800)

In my remarks today, I would like to briefly comment on the Canadian Human Rights Act. When we consider the alternatives available to individuals, including workers who feel they are being discriminated against or treated unjustly by employers, the human rights act is particularly relevant. It spells out its purpose very clearly in the preamble to the act. The purpose of the act is:

> To extend the laws of Canada to give effect to the principle that every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, consistent with his or her duties and obligations as a member of society.

While the Canadian Human Rights Act—

The Acting Speaker (Mr. Paproski): I regret to inform the hon. member that his time has expired.

The time for consideration of Private Members' Business now has expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ECONOMY

Mr. Jim Peterson (Willowdale): Mr. Speaker, when I raised this question originally in the House in October, I was asking the minister what he would do about the government's high interest rate, high dollar, high tax policies that were driving thousands of Canadian shoppers south of the border and thousands of Canadian jobs to the United States. At that time, the unemployment rate in Canada was 10.2 per cent and the minister said his policies were working. He told us that: "The unemployment rate is going down, not going up".

Today we find ourselves with an unemployment rate of 10.4 per cent. Unemployment is going up. It is not just the unemployment rate but it is the thousands of people who have dropped out of the work force in addition to those who are not getting recorded. On top of that there are a record number of Canadian welfare cases. This government's high interest rate, high dollar, high tax policies still continue to plague Canadians.

The minister is unrelenting. We have had three interest rate increases in the last three weeks. The interest rate has gone up 47 basis points. This is an attempt by the government to keep the dollar up, but the high dollar is what is costing us jobs. Our interest rate in Canada is more than twice the U.S. rate. The U.S. rate is 3.50 per cent. In Canada, the rate is now up to 7.46 per cent. This is away beyond the historical spreads with the American rates.

Who is this helping? It is not helping Canadian producers or Canadian exporters; Canadian businesses that want to create jobs here. This is the difficulty with this policy. Today we saw one response. Rather than dealing with some of the fundamentals such as our tax structure, high interest rates, high dollar structure which is driving these jobs south and Canadian consumers south, the government brought in some band-aid measures to stop cross-border shopping from decimating communities along our entire frontier.

What did we see? There was no tax measure in respect of gasoline. They did not deal with the question of gasoline pricing in Canada *vis-à-vis* the United States, yet our Liberal Party task force on deindustrialization and economic renewal found in our hearings that this was the single biggest reason why Canadians went to the United States to shop, cheaper gas prices. We met truckers who had not bought fuel in Canada in six months; they bought it all in the States.

What else did this government do? It attempted to blackmail the provinces into harmonizing their provincial sales taxes with the GST. It said: "We will collect provincial sales taxes on cross-border shoppers who are returning to Canada but only if you harmonize your provincial sales taxes with our GST". In other words, you impose your provincial sales taxes on things you are not taxing already such as clothes, food, shoes, books and many other items. We say to the government tonight that the provinces will not be blackmailed into introducing the GST.

Finally, the government is decimating the mail order industry. What does it do? It does not give us a level playing field. The Americans put a $10 charge on Canadians doing business there. We put on a $5 charge. For whom is this government working? Let it get its act together.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am very pleased to have the opportunity to respond to my hon. colleague's remarks. I want to remind members of this House that we are working and considering the people of this country in the policies we have put in place and the policies we are continuing to bring forward.

We have to be prudent. We have to be careful where we spend our money and we have to make sure that when we do harmonize measures we are saving money. The government believes that the economy is on the road to recovery. To do this we had to bring inflation under control. Inflation pressures had to be reduced, there is no question about it. I am sure the hon. member would agree. As well, it is essential for sustainable lower interest rates if we follow that program.

We believe our policies are working. Inflation pressures are easing. Over the second half of 1991, CPI inflation was 1.7 per cent. Interest rates had declined in step and are almost 7 per cent lower than their peak in May 1990. The prime interest rate is 7.5 per cent, the lowest rate since May 1973.

The economic recovery began in the second quarter of 1991 and is continuing. UDP, a factor cost, grew at an annual rate of 3.3 per cent in the second and third quarters of 1991. The pace of the recovery weakened in the fourth quarter due in large part to a weak international economy, particularly the unexpected weakness in the United States. As growth picks up in the United States, Canadians will benefit from an expanding market for their exports and a stronger over-all economy.

EDUCATION

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I appreciate the opportunity to speak in more depth on a question which I previously asked the Minister of Employment and Immigration regarding the government's lack of commitment to students.

I would like to share with this House some of the feedback that has been received from students in Prince Edward Island. In today's *Guardian*, a report indicates that students are questioning the federal government's sincerity when it comes to student needs. A delegation of Island students report that skyrocketing tuition fees, federal funding cuts for post-secondary education, taxes on student loans and books make it difficult to believe that the federal government is serious about a prosperous future for Canadians.

According to Andrew Hughes, a representative of the P.E.I. branch of the Canadian Federation of Students: "The student delegation wants the Mulroney government to start living up to its word as stated in the prosperity agenda. It is hard right now to take the government at its word. Instead of providing a clear path for students to further their education, they are constantly creating barriers".

I have quoted Mr. Hughes to demonstrate that this is not a partisan argument, it is a legitimate argument. Certainly we have been trying to make the same argument on this side of the House for some time.

The consequences of this government's education policies become increasingly apparent in the Canadian labour market and the Productivity Centre quarterly report.

Despite the fact that the unemployment rate across the country is at 10.4 per cent, despite the fact that in my province the unemployment rate is at 16.9 per cent, the second highest in the country, there are approximately 300,000 jobs available in Canada that cannot be filled.

This is an unacceptable situation. There are almost 1.5 million Canadians out of work so there are enough jobs available to accommodate approximately 20 per cent of the unemployed Canadians. Many of these positions require skills that unemployed people do not have. This is also affecting our productivity as a nation. The same quarterly report, 1989, indicated that Canadian busi-

nesses were having production difficulties because they could not find enough skilled employees and they expected the problem to get worse unless education and training policies were changed.

• (1810)

While the recession may have lessened the current impact of this problem, the need to improve our labour force skills still exists. The need for greater skills and education requirements is obvious. Yet, there is not a decline in the number of graduates from post-secondary institutions. It is obvious that if the country is to prosper, if our work force is to be competitive, if we are to ensure that the current level of unemployment is reduced, we must make sure that our education system is accessible and affordable.

I repeat my question to the minister. Will this government remove the 3 per cent surtax on student loans? Will it remove the 7 per cent GST on textbooks? Will the government stop cutting back on funding to post-secondary education which is causing tuition fees to sky-rocket? Will this government finally recognize that students in our education system are the most important block upon which our future competitiveness must be built? Will this minister agree to take action today?

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the prosperity initiative is an opportunity for all Canadians to contribute to the development of a plan of action for our future economic and social well-being.

In launching this initiative, the Minister of Employment and Immigration tabled a discussion paper "Learning Well, Living Well". This paper identifies a number of the learning challenges facing Canadians and Canada in this decade.

To meet the challenges of the future, Canada will have to improve upon its learning system. High skills jobs, a competitive economy, economic prosperity and a good quality of life are interdependent. To maintain them all Canadians must build a learning system which boosts basic skills and encourages a much higher level of advanced skills.

The government acting alone cannot create a learning culture. On the contrary. There is little government, any government, can do on its own to develop a learning culture. It will require partnerships among all interested groups and for this reason the government invites all Canadians, parents, students, teachers, labour and management, to participate in the prosperity initiative.

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the other day in the House I stood to declare that across this country, Canada's 38,000 dairy, egg and poultry producers are preparing to storm Parliament Hill to protest this government's wavering position on the future of marketing boards and supply management. They are holding this government directly accountable for the future of supply management and for the future of the agricultural industry in Canada.

They want the Prime Minister to declare that his government will settle for nothing less than the clarification of article XI in the General Agreement on Tariffs and Trade, nothing less than an unequivocal commitment to supply management.

The proposals that were tabled December 11, 1991, by GATT director Arthur Dunkel would effectively destroy article XI and with it destroy the economic underpinnings that Canada has developed for its dairy, egg and poultry industries. The Dunkel proposals I think are proof positive that the United States is about to get its way with supply management in Canada. It has been bullying its way toward the elimination of quotas as a means of penetrating the Canadian market.

Tariffication will not work. It is incompatible with the principle of supply management. It will knock out the pillars and once supply management is dead, it is simply a matter of reducing the tariffs and then they have got us. That will open the entire Canadian market to excess U.S. agricultural production and will kill the Canadian dairy, poultry and egg producing industries.

When I asked the Prime Minister on February 5 whether he would get tough with the Americans and declare his unequivocal support of supply management, he replied that this government had maintained a vigorous defence of Canada's marketing board structure and will continue to do so. Those kinds of statements are why nobody believes the Prime Minister anymore. While he was waxing philosophic about the virtues of supply management, we find that his Minister for International

Trade has been providing all government MPs with briefing notes on how to get out of supply management and sell the concept of tariffication. If you do not believe me, Mr. Speaker, just ask the head of the B.C. Lower Mainland Dairymen's Association.

While the government talks a good line about how it is fighting hard for the principles of supply management, all the while it is quietly preparing to dump marketing boards and sacrifice the future of Canadian farmers.

The other day the Prime Minister chided me for suggesting that we play tough with the Americans. He trivialized the issue by suggesting that we also declare war on them. The Prime Minister knows full well that Canada has been a saint when it comes to the observance of the rules of GATT. He knows full well that we have always abided by its rulings while most other countries I might add, including the United States, have transgressed those recommendations and rulings at will.

I say to the Prime Minister that now is the time to stand up and be counted. Now is the time to get tough and to defend the future of our Canadian farming community, to defend our Canadian way of life because if we lose marketing boards we are going to lose the industry. We are going to jeopardize 38,000 poultry, egg, and dairy operations in all regions of Canada which provide over 60,000 jobs in the production sector and 36,000 jobs in processing.

Tariffication puts a $10 billion industry in grave danger. If the government rolls over on this one, we will dismantle the system which directly provides more than 97,000 Canadian jobs.

That is why Canadian farmers have taken their gloves off. They are not prepared to stand by and watch everything they have worked so darned hard for go down the tubes.

They are angry. They are worried. They want action. From B.C., Ontario, Quebec, and elsewhere across Canada our dairy, egg, and poultry producers are preparing to take a stand. They are preparing to storm Parliament Hill if this Prime Minister and this government fail to keep their promise to maintain our supply management systems and to preserve our Canadian way of life.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it would be very easy to get into a very intense debate on this issue, but we will leave that for another day.

To say that farmers are going to storm Parliament Hill I believe is exaggerating. The farmers I spoke to representing the farm communities, the farm leaders, said they want to come here to show their support for the government's position, their position, in respect to article XI and the furthering and clarifying of article XI, not to come here to create problems with great anger and great fight. To say they are going to storm the Hill is exaggerating a situation, especially with the farm leaders I have spoken with as recently as four o'clock this afternoon.

To say that MPs on the government side have a document indicating how to get rid of supply management is utterly ridiculous. That is not the case. I would love to see a copy of it if the member is so certain there is something like that. I do not believe any member of Parliament does have that.

Canada's position to support article XI has not changed. It is no wonder the producers are confused in this country from the statements that were made here tonight and during other times in Question Period because this government has never wavered in its support. It continues to support the position that was taken over a year ago that was developed by the farm leaders, the federal government, and the provincial government. We had strong supporters that balanced good position and we will maintain that.

I want to assure all members of the House that we are not about to abandon our supply management industries as the negotiations on programs progress. We believe it is a good program. It is a time to be solid, not divided. It is unfortunate that very often comments made in this House indicate that we are divided on the issue. That is not the case.

BREAST IMPLANTS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, each year over one million Canadian women are diagnosed with breast cancer. Over 150,000 of these women have resorted to implants to try to ease the trauma of a painful and humiliating surgery and disfigurement that results from this terrible disease. Their fears were eased

because Health and Welfare Canada has assured women again and again that there is not sufficient evidence that these products are dangerous.

• (1820)

Today I had the opportunity to speak to a remarkably wonderful woman whom I have had the privilege of getting to know over the past few months. This woman had cancer and subsequent surgery, followed by silicone implants. That was only the beginning. She soon found out that these implants are not safe. Despite Health and Welfare Canada's approval, these products cause even greater pain and suffering. Thousands of women across Canada have suffered major complications from these devices. Dow Corning, a major American producer, has had doubts about their safety since 1971 but it has continued to sell these products anyway. That is 21 years ago, over two decades.

Health and Welfare Canada too has had reason to doubt the safety of the implants. In fact, in 1986, which is over five years ago, a senior scientist at Health and Welfare was fired for questioning the safety of these products, and yet they continue to be sold.

Earlier this week I asked the Minister of National Health and Welfare what he was doing to ensure an effective and safe product review process. He responded that there already is a serious review process. He even had the gall to boast that silicone gel implants are no longer available on the market.

Manufacturers of these implants were requested to stop distributing these products only last month, yet we know that most of the doctors have them in their offices and will continue to use them as long as they are there.

Mr. Speaker, you will note that I did not mention the name of this woman, the reason being that she has received death threats, not one but several, on her answering machine. When she gets home at night from work, she takes her messages off her machine and the message is: "You will die for promoting what you are doing with regard to these implants". This woman has organized a group of women, probably 800 women, in her area. They meet regularly. In fact, they have a conference coming up very, very shortly.

Despite what the minister said here in the House yesterday, she has filed conclusive evidence with the minister that these implants are defective and that they are cancer causing. Yet the minister continues to deny, deny, deny.

I too would like to mention that I have also received a threat. My threat was by letter. My threat was by the distributor of this product, where he challenged me to dare to say the things that I say in the House of Commons on this product outside the House. I consider that a threat and a harassment of the worst kind.

Some hon. members: Shame.

Mrs. Gaffney: I suggest to the minister once again that it is becoming increasingly clear to me that there is a major cover-up. Who is hiding what at women's expense? I believe the issue is so serious that the RCMP should be called in to investigate. I ask the minister this: What will he do to ensure the product review process is improved so that an atrocity like this will never happen again, and that this one must cease immediately?

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the government would like to use the opportunity following several weeks of media claims and statements in the House to bring hon. members up to date on the department's actions concerning silicone gel-filled breast implants.

First, let me say that Health and Welfare is very concerned about the comments expressed over the fear of cancer following breast implant surgery. Let me put a stop to speculations right now. Dr. Hans Berkel and his colleagues in Alberta demonstrated clearly that women who have breast augmentation do not have an increased risk of breast cancer. He also found that breast implants do not decrease the survival of breast cancer patients.

This is a very powerful study. More than 11,000 breast implant patients were followed for an average of 10 years. Where 49 cases of breast cancer were expected in the normal population, 23 developed breast cancer after breast implants.

Rarely in the field of science can a better demonstration be made about the low risk of using a medical device. This work which was done in Canada by reputable epidemiologists is confirmed by a similar study done in the United States.

I wish then to reassure the women in Canada who have silicone breast implants that at this time there is no evidence to support the scare tactics used by media and others.

Let us go on now to the basis of this whole discussion. This basis centres on the fact that the Department of National Health and Welfare makes its decisions on safety and effectiveness based on science, not on media reports, not on innuendo and not on testimony of unusual events.

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, on November 21, just after the announcement of a $700 million package of aid to grain and oilseed producers, I stood in my place and raised a question with the Minister of Agriculture about the methods being used in implementing that program. There had been an announcement that about $7 an acre would be paid for crop land, a quarter of that payment for lands that were seeded to summer fallow, and lands seeded to forage crops would also get one-quarter of that amount.

I wish to respond further to that answer tonight, because it seemed to me that the Minister of Agriculture in his response was pretending ignorance of his own government's policies and his own department's stated objectives.

Among the stated objectives of that department are to encourage diversification and market responsiveness.

Because of the market conditions, a great number of farmers, particularly in the northern prairies in western Canada, have seeded good two, three and four class farming land to forage crops, alfalfa and other grasses. Some of those crops are being processed into cubes and pellets for shipment to the Japanese and South Korean markets and elsewhere. These are export commodities. They depend on export prices. Their market was ruined just as thoroughly by the U.S.-European trade war as any other market.

In his response the minister seemed to ignore that hay prices respond to those same market influences and they are also low. He also seemed to think that his government was doing a good job of looking after forage crops because he talked about having paid something like $50 million in the prairie region to promote forage production and $22 million in the rest of Canada to promote forage production, making a total of $72 million to forage producers.

What he ignored was the sense of my question. I pointed out that I was talking about forage seeded on classes one to four farm land, the very best farm land in Canada. He should have known as the Minister of Agriculture that the program he was talking about only applies to classes five, six and lower classes of farm land. In other words, the program applies to lands that probably should not be growing grains and oilseeds to begin with.

He has totally missed the point and is not addressing the very real problem that the countryside is going to be faced with, now that we have GRIP and this program here. Both of those programs have ignored forage production as an integral part of agricultural production in the northern prairies. He is encouraging those lands to be worked up again and planted into cereals and oil seeds which the system does not need.

I think he has to recognize that forage production is a legitimate crop and pay it on the same basis as cereals and oilseeds.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to reinforce and say again that the government came through, as it always has before, and supported farmers with a program of $800 million assistance under the FSAM II. That was in November 1991.

The way the payments were delivered to producers grew out of extensive consultations between this government and members of the Third Line of Defence Committee. This committee is made up of industry, producers, academics and provincial representatives.

The payments were made on the recommendations of producers, academics and provincial representatives. That was how it was made up. It was not totally a minister's decision.

This committee recommended we deliver the assistance based on seeded acreage and pay 25 per cent on summer fallow and 25 per cent on forage.

This serves as another example of how the federal government continues to consult with those affected before making any decisions. It is a process the opposition parties should be supporting.

• (1830)

Hon. members should realize that of the three options delivered to the government by the Third Line of Defence Committee, the government selected the one that included the highest level of payments for forage and summer fallow.

The government, under the provisions of FSAM I, delivered $50 million to promote forage production in the prairie region and an additional $22 million to promote forage production in the rest of Canada.

That could hardly be interpreted as the government penalizing farmers with forage crops.

The $700 million is being delivered to compensate that sector for the level of hurt it has sustained as well. The low commodity prices, caused by the international trade war, have been why we have had to stand there and support a program in this country that has been caused by the devastating things that the U.S. and the EEC have been doing.

SPECIAL DEBATE

[*Translation*]

The Acting Speaker (Mr. Paproski): Pursuant to order made on Wednesday, February 5, 1992, the House will continue the debate on the adjournment motion for the sole purpose of allowing members to make presentations on the results of discussions they have had with their constituents on the constitutional issue.

The hon. member for Lévis.

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, during the past few days we have heard members report to the House on the results of their discussions with Canadians on the constitutional process. During 1991, I also consulted with Canadians, including my own constituents. My questions focused on the economy and a number of items that could be included in the Constitution. Together, these could be defined as an anti-deficit clause.

I think we should take advantage of the fact that Canadians generally disapprove of deficits. Perhaps this would be a good time to include in the Constitution a clause that would put elected representatives in a better position to administer the governments of this country.

The clause would contain certain parameters according to which our elected representatives would be obliged to bring their spending in time wiht the resources of the community, without mortgaging the lives of future generations.

It is time we stopped using deficits as a substitute for taxes. It is easy to say yes to the demands of taxpayers and voters during an election campaign. However, if the Constitution provided for maintaining a balance between what the community pays and earns and what governments can give that community, I think this would make for a fairer and franker political debate during election campaigns. It would mean that candidates, irrespective of their political stripe, would have to explain to voters that the program they are offering or the program voters want would cost a certain amount of money, and that this amount would be raised through the tax system. Today, party candidates are far less forthcoming and are inclined to advertise programs without mentioning the cost involved to the taxpayers because as politicians, they know they will always be able to borrow to fill their orders.

I think that if they face certain restrictions, this may be the best way to reduce the deficits incurred by federal, provincial and municipal governments. Granted, people will say this is technical, that it may create certain problems when definning expenditures. We are used to describing government expenditures in terms of envelopes for the various departments. I would say that if we included an anti-deficit clause, expenditures would also have to include what we call tax expenditures, such as tax rebates enjoyed by taxpayers in certain cases and also the constraints governments impose on certain companies, including environmental or social constraints.

Those are part of the expenses incurred by the community and they should be included in the context of an anti-deficit clause. Some will refer to the famous theory of Keynes, an economist who lived from 1883 until 1946, to oppose an anti-deficit clause in the Constitution. A lot of people refer to that theory these days, but I say that it is obsolete. For one thing, it applied at a time when there was no unemployment. According to that theory, it is in a period of economic difficulties that important public projects should be undertaken. Nowadays, unemployment is always high, it is a chronic problem. The conditions are not what they were in 1950 or 1960.

Also, if governments decide during a period of recession or economic crisis to announce important public projects, whether it is the building of roads, houses, et cetera, once the decision is made, these programs must go through the hands of many technocrats and it often takes from 18 to 24 months before they become reality. At that point, economic recovery is under way and the programs that were announced during the economic crisis become inflationary programs that create an artificial demand on money. That is the reason why Keynes theory must not be taken into consideration.

Some will also say that we must provide implementation mechanisms. We will not be able to achieve that in 365 days. But I believe that if there is a consensus to adopt such a clause, we could allow a period of a few years to absorb the accumulated deficit and then, inevitably, there will be no more deficit in the budget.

Some will also mention emergency situations, such as a war or an environmental disaster. In such instances we could for all intents and purposes have a form of agreement or a vote requiring the approval of 75 per cent of the members of the House, or some other mechanism that would have to be discussed and developed further.

After having tried to sell this anti-deficit clause, I received comments and I will end on that note. I received a letter from the Business Council on National Issues which says that this organization would approve the inclusion of an anti-deficit clause in the Constitution. The letter is dated January 8 1992 and it is addressed to me.

I also have a letter dated December 17, 1991 from the Conseil du patronat du Québec which says that it agrees in principle with including such a clause. Last fall, the Conseil du patronat appeared before the caucuses of members of the Quebec government, the Parti Québécois caucus and the Liberal Party caucus, to suggest that they include a no-deficit clause in their legislative process. Also, the Quebec Chamber of Commerce, when it appeared before the federal Committee on the Constitution, said that the Chamber—the Quebec Chamber of Commerce—reiterates its support for the idea of putting in the Constitution the principle that the federal and provincial governments must balance their budgets, as municipal governments are already legislated to do.

That is serious support. Also, I have very important support from a local source, the South Shore Chamber of Commerce, which for all practical purposes covers the federal riding of Lévis. They officially supported my plan for a no-deficit clause in the Constitution. I have two more major supporters, the Canadian Chamber of Commerce and Timothy Rae, who said that the deficit problem should be included when the constitutional issue is settled. I refer to an article in the *Financial Post* of July 4, 1991.

I will conclude, Mr. Speaker. I also received 432 resolutions from municipal councils throughout Canada. I have excerpts from the resolutions of those councils, all 432 of which are in favour of having a no-deficit clause in the Constitution. These resolutions come from all the provinces of Canada.

• (1840)

For these reasons, Mr. Speaker, I ask those who are responsible for presenting the federal government's position and even all federal members of Parliament to take account of what many Canadians who pay and generate wealth want. They have a right to say how this wealth will be spent.

[*English*]

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I do not know a great deal about constitutional law, but I do know that I am living in a great country and that it has the potential to become even greater.

As Canadians we sometimes forget how good we have it. Canada is one of the most peaceful and prosperous nations on this earth. You just have to ask those outside of Canada. There are thousands of people lined up at embassies all over the world trying to emigrate to our country.

We cannot afford to let constitutional issues divide us and ruin our great land. We need to build a climate where consensus can be reached. It is time to focus.

We need to concentrate on what we want. We also need to concentrate on what we have. We must examine the things we have in common and build on our strengths by looking toward the future.

We must establish a Canadian vision, a blueprint for the next generation. We must address the things all Canadians would like to preserve and achieve, instead of the things that divide us.

Then we can begin to agree. Once we begin to agree, we can develop a climate favourable for negotiation. Then we can reach consensus.

It has been my pleasure during the last few months to help residents of Ottawa Centre participate in a constitutional discussion. Many of my constituents have strong opinions and interesting ideas on the Constitution.

In December I distributed a referendum form on the constitutional proposals throughout my riding. The referendum summarized the proposals and divided them into three broad sections, keeping with the government format. Constituents were asked to mark whether they agreed, disagreed or were undecided about each proposal. They were also asked to write down specific comments if they wished.

So far, my office has received in excess of 200 responses. It is obvious to me that Canadians, at least in my riding, like to be directly consulted. We have received a high number of replies in a short time and many forms with written comments. When asked to help, the people feel empowered to set the direction for the country.

Our methods were not scientific and our statistics are not necessarily accurate. However, we have noticed some strong general convictions. Ottawa Centre residents who responded are most concerned about parliamentary reform, economic union and a strong central government.

Respondents expressed overwhelming approval of the proposals that allow more free votes in the House of Commons and called for an elected Senate. In both cases the yes vote was about 80 per cent.

On the proposals dealing with Senate appointments more concentration on Private Members' Business, and the question of provinces and territories submitting names for appointments to the Supreme Court, the support was between 50 and 70 per cent. When asked to comment, respondents clearly demanded reform of the House of Commons and the Senate.

Respondents also approved of proposals dealing with the Canadian economic union. Almost 95 per cent supported the elimination of trade barriers within Canada.

Around 75 per cent supported the proposals dealing with federal power to make laws for the economic union and harmonization of the government budget process.

Fifty–five per cent of the people supported the distinct society clause for Quebec.

Constituents were less supportive of the devolution of power to the provinces. Only the proposals dealing with culture, immigration and broadcasting issues received more than 60 per cent support.

The level of support for other proposals was somewhere between 30 and 50 per cent. For example only 30 per cent supported the elimination of the declaratory power.

It is clear to me from these results that many Ottawa Centre residents want to make the country work. They also have a good idea of what they want Canada to look like.

The referendum is not the only constitutional initiative underway in Ottawa Centre. Something different is happening in my riding. I have been working closely with several Ottawa Centre residents who have set up a constituency assembly process.

They are trying to bring the constitutional discussion down to the grassroots level. The organizers are convinced that there is a need for a fresh approach to the constitutional debate in this country. They believe Canadians are ready to contribute fresh ideas and are looking for channels to do so.

The constituency assembly process is designed to provide such channels. It is a non–partisan citizens' initiative that, by definition, includes everyone in the constituency. The structure stimulates informed discussion and allows for a wide variety of input and perspectives. The intention is not to build a consensus, but to express ideas.

The assembly involves organizing and sharing the results of work study projects on the Constitution. So far, it consists of several workshops and an open house.

As far as I am aware, Ottawa Centre is the first constituency to organize a creative democratic process of this nature.

Of course, the assembly was not created in a vacuum. It follows an information session on the Constitution that I hosted last spring, a discussion meeting on the Constitution convened in June, and a workshop series offered through the summer on Parliament Hill. It was all at the initiative of the constituents.

The whole process has been assisted by the creation of an open register to record study projects. The register facilitates communication between Ottawa Centre constituents concerned about the Constitution. Currently over 30 projects have been registered. It is our hope that the register will eventually aid networking between constituencies.

The assembly organizers recognize that citizens are responsible for their Constitution and government. They are hoping the assembly process will deepen the democratic basis of constitutional discussion.

By encouraging Canadians to participate directly in the political process, they believe their approach will show that Canadians have more things in common than the differences that divide them.

They see the constitutional issue not as a crisis for Canada, but a remarkable opportunity to preserve and develop common sense assets such as goodwill, peace and mobility.

I feel tremendously privileged to have constituents who take the concept of self-government so seriously. There are so many of them. I wish to especially acknowledge Gail Stewart, Nancy Doubleday and Dianne Corke. They are actively involved in the political process and they are encouraging others to contribute as well. Such input can only benefit Canadian politicians and make the process of governing richer.

The constituency assembly will likely continue regardless of government deadlines. Ottawa Centre residents still have a lot to say about the Constitution. The process is also flexible enough to include issues of national interest other than the Constitution. I think it is a model that could be adopted in other ridings.

I am tabling some documentation related to the constituency assembly process. Some of this material has already been tabled with the special joint committee on a renewed Canada.

It is my hope that other members of Parliament will be encouraged to organize grassroots initiatives with members of their riding. My constituents have been talking about the need to identify and build on common Canadian interests.

A few days ago I received a letter signed "I am a Canadian". This person eloquently expressed what it means to be a Canadian. I would like to close by quoting him or her.

> For me, Canada is more than a country and more than a nation. Canada, for me, is tolerance, open channels of communication, and peaceful methods of solving differences of opinion and disagreements. Canada, for me, is a great open society, in which everyone is equal and at the same time can be unique and distinct. Canada for me is a humane society that cares for the well-being of its members: their health, education and living conditions. Canada, for me, is a society that is fair, just and positive. Canada, for me, is a society that cares about pollution, and seeks to reduce it within its boundaries and beyond. Canada, for me, is a society that understands the importance of preserving nature and all species, and knows the destruction of nature will eventually lead to the destruction of mankind. Canada, for me, is a society made up of individuals, nations and races that came from the old ways of the old countries to find and pursue better ways for all—to walk into the future with open eyes, and to improve it for all. For me, Canada is not only a land for British and French, it is land that we all came to share together with those who were here first. For me, Canadian culture is neither English nor French—it is the culture of peace, and I consider myself privileged to be part of it. For me, Canada is a ray of hope shining in the sky of humanity and the greatest country on Earth.

• (1850)

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, first I would like to thank the Sarnia—Lambton Committee for Canada's Future for taking the constitutional proposals as presented by our government to my community for discussion.

This committee is a constituent assembly formed to collect views and write a report on the federal government's constitutional reform proposals. Citizens from our community volunteered or were approached from a variety of backgrounds and societal groups to form the constituent committee.

The committee met as a group and with the public on 13 occasions and an information booth was manned by the members at the Sarnia Eaton Centre on November 27 through 29, 1991.

Interaction with the public of our community took place at the information sessions as well as at four public meetings held at different locations throughout the federal constituency.

I met with the committee on January 24 and was presented with its report. I had already advised the special joint committee on a renewed Canada that a report from the Sarnia—Lambton Committee on Canada's Future would be reporting and I had requested that representatives of the committee personally meet and appear before the joint committee.

I am happy to report that their chairman, Mr. Mark Sutor, secretary Mrs. Shirley Latham and committee member, Mr. Peter Westfall travelled to Ottawa on this past Monday and presented their report.

Upon receipt by myself of *Shaping Canada's Future Together* proposals, I read and re-read them and then I decided that certainly the way for me to decide on how I should be supportive or question the proposals is that I should listen. So, I have listened either before or after to a lot of presentations.

I listened last summer to 250 high school students in Toronto at a student forum, who talked about keeping our country together. I read the Group of 22 report, I read what the Spicer commission reported on what they heard, I read about what the Group of 15 said, and the Sarnia—Lambton Constituent Assembly Committee told me what our community was saying. I have also watched and read about the constitutional conferences, four or five which have been held as of this date.

As far as the area of Senate reform, this is one of the very important aspects of the institutional reform within the constitutional proposals. The concept has sparked widespread discussions; clearly Canadians have expressed a desire for the old place of privilege to be replaced by a Senate which is more useful, more democratic and more effective.

The divergence of opinions has come as to what form of structure best meets these principles. The Sarnia—Lambton Constituent Assembly supported reform of the upper House, as with the Group of 15 and the Group of 22. They all called for an elected Senate.

Two further guiding conditions expressed where the powers of the Senate must be carefully delineated and not be broader than those of the House of Commons. The latter should retain their pre-eminent legislative role and that aboriginal people should be guaranteed representation in the Senate.

I myself would like an elected Senate, one based on the principle of proportional representation. In the spirit though of consultation and negotiation I doubt that this will happen. More equitable regional representation may be more likely the outcome.

As an Ontarian what we will lose in seats we will gain in institutional legitimacy and a forum for truer regional representation. In my mind, the Group of 22 may have put it best: "The country needs an institution that will express the national dimension of provincial responsibilities as well as an institution that will express the provincial dimension of national responsibilities."

In the area of distinct society, the Sarnia—Lambton Constituent Assembly Committee interpreted the clause as reasonable, provided that Quebec gains no additional powers which will either affect the other provinces or weaken the federation. It was sympathetic to Quebec's concern for the continuance of its society and its culture.

Distinct society has prompted much debate, as we all know. Clearly, many of the people appearing before the constituent assembly blurred the difference between recognizing Quebec as a distinct society and the federal official languages policy. We all must be careful that the two subjects are not confused.

It seems to me that the country is no longer stuck, as I would call it, on the distinct society proposal. English Canada, it seems to me, from what I have observed and have been told, wants a strong central government, while at the same time English Canada has no problems with the notion that Quebec might exercise powers which the other provinces choose not to exercise.

At the Toronto constitutional conference Montreal lawyer Eric Maldoff pleaded for Canadians to understand the linguistic and cultural fears of French speaking Quebecers. He said: "The question of a survival strategy is a dominant issue in my province. We must be prepared

to open our arms to the survival of French speaking Quebecers".

Mr. Maldoff is an English speaking Quebecer and the founding president of the English language rights group called Alliance Quebec.

The students' commission last summer recognized that Quebec should enjoy jurisdiction over its culture, civil code and immigration.

Recently *The Toronto Star* reported: "As we approach the home stretch we accept the distinct society clause as something we could live with".

What I have observed in recent months is that the people of Ontario believe that the clearest translation of distinct is different, a different society in which one may choose to strike a different balance between the rights of individuals and cultural groups from that may exist in other provinces.

The Group of 15 acknowledged that Quebecers might choose to favour collective rights over individual rights in order to preserve their heritage. The forum members continued: "The distinctiveness of Quebec is an historical fact and a current reality that enriches the lives of all Canadians".

Again, in view of what I have heard and seen, I can endorse the constitutional proposal to recognize Quebec as a distinct society. This recognition is very much in the tradition of flexible constitutional arrangements that have been part of Canada for 124 years. The distinctiveness of Quebec is an historical fact and a cultural reality that enriches the lives of all Canadians.

It allows Quebecers to make their own decisions about the balance that they would like to have in their particular province.

Property rights are part of the proposal, and I would like to touch upon them very briefly.

The charter does not guarantee a right to property and therefore it is the view of the government of Canada that the Canadian Charter of Rights and Freedoms should be amended to guarantee property rights. I recommend the reading of an evaluation done by Mr. David Stratas of the law firm of Osler, Hoskin and Harcourt in Toronto entitled *Property Rights and the Canadian Constitution*:

> Scenario I: After twenty years of effort and sacrifice in meeting mortgage payments, you unexpectedly receive a notice by registered mail. "Your house shall be expropriated for a new freeway next month," the notice reads. The finer print of the notice indicates that the notice is issued pursuant to the *Freeway Act* which was just enacted. After further investigation, you discover that owing to "the needs of the motorists of the province" no hearings are to be held in order to determine fair value of property being expropriated—

You find you are getting only 50 per cent of the current market value.

The Acting Speaker (Mr. Paproski): Maybe the hon. member could file the rest of his documents with the Clerk.

Mr. James: I would like to end up by saying that I endorse property rights and certainly I commend this evaluation for reading.

Later I will touch on native rights, the economic union, the barriers to trade, and many other areas that should be touched upon in this important debate.

The Acting Speaker (Mr. Paproski): The list of speakers is as follows: the hon. members for Ottawa—Vanier, Essex—Windsor, and Joliette.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I welcome this opportunity to take part in this special debate on the Constitution and to read into the record some of my own initiatives and those suggested by my constituents. The order was made for the sole purpose of allowing members to make presentations on the results of discussions that they have had with their constituents on the constitutional issue and to table all relevant documents. That is the clear and very specific purpose of this debate.

I started consulting constituents in Ottawa—Vanier last spring. I held a public meeting on June 26, which was set up as a forum on the Constitution, with Jean-Luc Pépin, Professor at the University of Ottawa, Dr. Robert Jackson, Professor at Carleton University, Ms. Caroline Chrétien, Liberal researcher for the Liberal caucus, and about 200 people with an interest in these issues.

• (1900)

The survey I conducted at that time concerned the nine recommendations or proposals presented by my leader, Jean Chrétien, to the Canadian public on April 21, 1991. His nine point plan was based on a statement on the nature of Canada, a commitment to the Charter

of Rights and Freedoms, strengthening the Canadian economic union, institutional reform, the division of powers, including spending power, immigration, the Supreme Court of Canada, aboriginal nations, the amending formula and, finally, a national referendum.

This provided a fairly broad range of items to discuss with our constituents, which I did all last summer. The constitutional forum I mentioned earlier, which was held on June 26, was televised throughout my riding and watched by thousands of constituents. I would like to thank Skyline Cablevision, which agreed to televise the proceedings.

Today the situation is no longer the same. Since last September we have been discussing the government's proposals. I distributed the document in my riding and I am glad to say it was given a rather favourable reception. It was widely discussed by various groups and was the subject of both oral and written comments at my office and in the community in general.

Last summer I went from door to door and I actually knocked on more than 5,000 doors, which is quite something when the temperature is in the nineties, or should I say the thirties. I noticed that people are concerned about the constitutional question. They are wondering whether we politicians will be able to find a solution to this particular problem, whether we will be able to reconcile Canada's duality with a common respect for Canada's regions which are the two pillars, as it were, of this country. What I remember particularly from my meetings with constituents is their concern for respecting the distinctiveness of our regions as well as Canada's duality in a country that has two official languages.

I was left with a great deal to think about after my consultations with the people in Ottawa—Vanier. If we get rid of Canada's duality or if we remove the concept of Canadian regionalism, we destroy this country. In discussions I had with a number of constituents, I tried to make them understand how important it is to respect differences—what we call tolerance—and the importance of respect for duality, for the other person's right to speak the language of his choice, and respect for regional differences, a Canadian concept.

I had a team of volunteers, consisting of public servants, students, unemployed workers, professionals, pensioners and people working in the home, who accompanied me on my walks last summer, and I found that very encouraging. I also sent out two householders. One was on the Constitution and constitutional amendments, a document I will table with the Clerk later on, and one is a questionnaire on how my constituents view the issues, how the division of powers should be changed, and how we could solve the Canadian question.

I would like to inform the House of the results of these surveys.

[*English*]

There were 1,778 respondents. These were voluntary responses given by people who did not have to return the questionnaire but did.

I want to take a few minutes to present a resumé or highlights of the results.

To the first question of a constitutional declaration on the future of Canada, 69 per cent of my constituents believe that the constitutional declaration will have to include our commitment to two official languages; 64 per cent want to include cultural diversity; 76 per cent want recognition of the aboriginal people; 43 per cent recognized Quebec as a distinct society, 36 per cent are against and 21 per cent expressed no opinion.

On lowering the barriers between the provinces, a strong majority of respondents, 91 per cent, favoured the free circulation of goods, people and capital in Canada.

On a reformed Senate, 79 per cent of respondents favoured an elected Senate, but one with a right to review rather than a right to veto. The review condition is supported by 65 per cent, with 33 per cent supporting the right to veto. The majority of the people also favoured giving the Senate the right to amend laws proposed by the House rather than a right to reject or to delay.

Concerning the power to the provinces for nominations to the Supreme Court of Canada, 71 per cent of respondents believed the provinces and territories should participate in the nomination of judges to the Supreme Court of Canada.

On the constitutional process, the majority of respondents favoured a referendum; 35 per cent favoured a direct participation in discussions rather than leaving decision-making exclusively to elected representatives.

As for the adoption of a constitutional amendment, the majority of respondents prefer a referendum in each province rather than a provincial legislative approval, or two-thirds of provinces representing 50 per cent of the population, which is the present amendment before us.

On the sharing of powers, in the two questionnaires the majority of respondents preferred to give provincial governments the responsibility for education, housing and training, while giving the federal government communications, immigration and unemployment insurance.

In the second questionnaire, the majority favoured federal-provincial co-operation in fields which have been contentious in the past, such as the environment, language and health care.

Those are the results of two questionnaires. Those are the messages I get from the constituents of Ottawa—Vanier. As for myself, I will get a chance to debate these questions whenever the government tables its proposals formally in the House in the months to come.

[*Translation*]

And now the proposals my constituents came up with. One was for a constitutional log book. One of my constituents suggested setting up a constitutional log book that would contain proposals by people in the riding and where various suggestions could be entered. I have here a copy of this log book, which I will table with the Clerk. It contains documents that reflect the aspirations of my constituents and may have some impact on the committee.

Mr. Speaker, you are signalling that my time is almost up. In concluding, I want to urge the people of Ottawa—Vanier and Canadians in general to continue their participation in this constitutional debate. It is extremely important for us to know where people stand. Personally, I appreciated the experience of meeting the many people in my riding and discussing these issues with them. I know they are interested, because after all, without a Constitution, we don't have a country.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, throughout the country we have seen Canadians trying to come to terms with the very difficult constitutional challenges that face this country and our future. This is certainly true in Essex—Windsor, as it is in other parts of this country.

In the case of Essex—Windsor I have consulted my constituents through talk-back forms, which I have asked members of my constituency to send back, and also through community meetings which I hold regularly. They have focused in more recent months on some of the issues which the Constitution has brought before us.

• (1910)

I could go through a whole list of subjects, as various members have, but I want to focus on five which have been stressed in our meetings and in the responses that I have received. I want to say first that one new element which has emerged in this round of constitutional discussions, as compared with the past round, is the notion of a social charter and putting into the Constitution some commitment, hard or soft.

Suggestions vary, but there should be some commitment nevertheless to the social rights which Canadians believe they have, such as the right of access to medicare, the right of access to a good educational system, the right of access to social services and the right of access to employment or to unemployment insurance in the absence of such, and a right of access to environmental protection.

This is a notion which our party has particularly emphasized and which the premier of my province, Bob Rae, has particularly stressed. Also it is something about which constituents in Essex—Windsor have been especially enthusiastic. Constituents in Essex—Windsor have had to make use of the right to access to unemployment insurance because of the ups and downs in the auto industry.

They have had to make their past history of building access to medical care through community institutions, turning that into a national system. When the national medical care scheme came into effect in this country, they came to see it as something crucial to their lives, especially as they compare themselves to people across the river in Detroit who have to bankrupt themselves and their families in order to provide medical care.

The social charter and a commitment to a social charter is something for which my constituents have stressed their strong support.

I was very pleased today to see the premier of Ontario bring out in more detail the notion of a social charter, to outline the particular elements which the Ontario government would like to see included in section 36 of the Constitution as principles to which governments in Canada are committed.

They are principles such as comprehensive, universal and accessible health care, social services and welfare based on need, high quality public, primary and secondary education and the emphasis on preserving and improving the quality of the environment within a sustainable economy.

I am also pleased to see the commitment which has been suggested by the province of Ontario that agreements reached by governments in areas covered by these social charter rights in the future would be made constitutionally binding.

In other words, it would not be possible for a government to renounce an agreement which it had reached with provinces as, for instance, this government has done in the case of the Canada Assistance Plan in renouncing its commitment to provide support through the Canada Assistance Plan to the various provinces that have been affected by the 5 per cent cap in that plan.

The second area which my constituents have expressed themselves very strongly on is the question of the rights of aboriginal Canadians. People in Essex—Windsor feel strongly that aboriginal Canadians have been left out of the opportunities in our society. They have expressed, in community meetings, their agreement with aboriginal Canadians who emphasize their inherent rights to self-government. They have emphasized that these inherent rights to self-government, in order to become real to aboriginal people, must include significant assistance from the federal government for economic development for aboriginal communities.

The third area which my constituents have expressed their concerns about is the proposals in the federal constitutional package for economic union. There are some parts of this package which are unobjectionable, such as an emphasis on mobility of goods across the country. But there are other parts of that package which are extremely dangerous, such as removing from the mandate of the Bank of Canada the idea that it should take into account the impact of monetary policy on employment levels. I think that is important. It is also important to see to it that the Bank of Canada maintains a recognition of employment considerations in its policy decisions.

There has also been grave concern among my constituents with respect to the idea that companies might be able to take either provincial or federal governments to court and have laws declared unconstitutional because they run counter to some judicially established notion of economic union. I will have a chance to say more about this in future debates. I just want to report the views of the community meetings that have taken place on that subject.

The other subject I want to deal with which has come out in community meetings is the question of Quebec as a distinct society. I have to say that both in responses to questionnaires to my constituents and in community meetings there have been some serious concerns expressed about the notion of Quebec as a distinct society. This has reflected the fear that many of my constituents have expressed, that if you recognize Quebec as distinct that means giving Quebec special powers.

I think that we can recognize Quebec as distinct in the sense of different without recognizing special powers or special status, but my constituents are concerned that that distinction between a difference and a special status be maintained in the constitutional structure.

The final point which I want to make is something which has come to me in meeting after meeting across my constituency as I have spoken at banquets, as I have met with groups. It has come not just in community meetings or in pamphlet returns, it has come everywhere, and that is a commitment to this country as one Canada, a commitment to national unity, a commitment to the maintenance of a magnificent country. That is the most powerful sentiment which has been expressed by the people of Essex—Windsor. It is a sentiment which I would want to leave with this House as we face the challenge and the future of dealing with the constitutional concerns which the government will bring back to

us in the form of its response to the special committee's report when it comes forward.

• (1920)

[*Translation*]

Mr. Gaby Larrivée (Joliette): Mr. Speaker, I have to tell you that I am delighted to avail myself of the little time granted to us by the House to express the feelings of my constituents, the people from the riding of Joliette.

We cannot say much about the future without looking back on the past. In the context of the constitutional debate, two major events have taken place these past few years, say 10 years, that have had a great impact on the people of Joliette. I am talking about the repatriation of the Constitution in 1982, from which Quebec was left out, and, more recently, the failure of the Meech Lake Accord in 1990. I think that these two events have dampened the enthusiasm of those who had believed in a strong and united Canada and have also motivated the proponents of separation.

Of course, our present economic situation must also be taken into account, with our huge debt leaving government with very little room to manoeuvre. I must point out that I was given a very clear mandate when I was elected in 1988. The Meech Lake Accord, by which Quebec could have reintegrated the Canadian family, was being negotiated at the time and I think that it was clear that the people of Joliette were contemplating the future of their riding, and their province of course, as part of a united Canada.

But they lost confidence first in 1982 and then in 1990. They lost confidence in our institutions for not making the Meech Lake Accord possible and having it ratified. They lost confidence also in the people, the elected people, who went back on their word. That is a fact. At any rate I have come to realize from my contacts with my constituents that they still have a faint ray of hope. They may lack confidence, but they still have some hope that, through its proposals, the federal Parliament will manage to develop a constitution that will come up to the expectations of the people in all the provinces concerned.

In order to keep the people of my riding informed, shortly before Christmas I distributed a survey questionnaire because people hear all kinds of things about the Constitution, but cannot always make sense of it all. I tried to lay it out in the simplest terms, as I feel the people want it, these people who want me to go on looking out for them and fighting to maintain Quebec within the federation, in a united Canada.

I was pleasantly surprised, but it only confirmed my perception. The surveys that MPs usually take of their constituents are to find out what the people expect. My survey told me that even though we have been talking about the Constitution for a very long time, interest is now very high in my riding. Most of the people who answered this survey, I would say about three quarters, expressed great interest in the discussion and the proposals and I would like to thank them for their interest.

Of course, as I said, the survey also showed some loss of confidence. They hope that Parliament will be able to propose a Constitution whereby Quebec can work well within Canada. But they have lost some confidence in their elected officials, and that is understandable, for the reasons I mentioned earlier.

My fellow citizens also showed me their interest in being well informed on everything that is going on and in receiving plenty of documentation. They also said that they would like their MP to be more available so that he can keep them informed. We know very well that it is a problem for a federal member of Parliament, especially a backbencher in Ottawa, who must always be in the House, which sits very often.

As for the options, because the survey gave people a chance to take a position on the Constitution, many respondents told me that they saw their future within the federal system. Many told me that they considered themselves nationalists, but always within a federal system and a united Canada. Some, not a majority, told me that they were for an independent Quebec.

Mr. Speaker, you are indicating to me that my time is up. I find that the time went by very quickly, but in conclusion, I would just assure my fellow citizens that I will continue to respect the mandate that they gave me to bring Quebec back into the Constitution, in line with Quebec's wishes. I think that it would be hard for Canada to exist without Quebec, but I think that Quebec can bring much to the rest of Canada. This whole process must be done with us parliamentarians here in a climate

of respect, of course, and especially of tolerance and generosity, with a firm resolve to build a strong, prosperous country for future generations.

[*English*]

Hon. William C. Winegard (Minister for Science): Mr. Speaker, let me begin by thanking you for the opportunity to speak on this important issue in the House this evening.

I want to report on a series of four public meetings held in the riding of Guelph—Wellington on the constitutional proposals put forward by the right hon. Prime Minister on Tuesday, September 23, 1991.

• (1930)

The meetings were held in November and December. While the meeting were chaired by me, the critical part was the panel of three respected University of Guelph political scientists: Professor Bill Christian, Professor Patrick Kyba and Professor Fred Vaughan. I hope that they will agree with me tonight that my summary of the summary is adequate to the task.

The subject of the first of the four meetings was property rights and the Canada clause, followed by reform of Parliament and federal institutions. The third meeting dealt with economic union and distribution of power. The final meeting looked at the issues of a distinct society and native peoples.

The three professors opened each meeting by giving the historical perspective and some analysis of the issues, and that presentation usually took from 15 to 20 minutes. A simple show of hands was used to indicate the position of the meeting on the various issues. There was only one predetermined rule to the whole session. We were where we were and we were not going to ascribe blame to anyone or revisit the past.

The following is a very brief synopsis of the content of the four meetings with the general comments and the positions developed. I will have an opportunity to express my own views in this House in the days to come. The full report has been tabled with the constitutional committee.

On property rights there was at the meeting little enthusiasm for the inclusion of a constitutionally protected right to own property. The audience did not believe that the courts had used the existing charter of rights to threaten property. It was concerned that if the right to own property were constitutionalized it would unnecessarily hamper future governments in pursuing socially desirable policies.

On the Canada clause there was no consensus on all of the proposed elements. The audience believed that the Constitution was best kept simple, and that meant not constitutionalizing certain current concerns however worthy they were.

On the reform of the House of Commons there was considerable frustration with the way the House functions today. Members of Parliament, it was felt, no longer represented the constituents wishes. The power had been taken out of the hands of the people. Party leaders wielded too much power over their backbenchers and so on. The group wanted reform but noted that these reforms could be carried out by the House of Commons itself and did not need a change in the Constitution.

There was agreement that the Senate should be reformed. There was support voiced for the house of the provinces model which would do away with the concept of the proposed council of the federation and lessen the need for more federal-provincial ministers conferences. There was also support for an elected Senate, especially a true triple-E Senate with equal representation from all provinces, and for special provision to ensure the representation of minorities. In general there was little discussion about the powers of the Senate as proposed in the document.

On the Supreme Court and amending formula there was no general discussion of these items, although the panellists commented upon them. Those who did mention the amending formula cautioned against a formula that would make amending the Constitution more difficult than it is today.

On the economic union and the distribution of powers there was cautious support for a national free trade scheme. The elimination of preferential procurement practices was thought desirable. The view was expressed that a co-ordinated national economic strategy was desirable in view of the new global order. There was concern that the proposals attempted to do too much across too wide a spectre.

The proposed amendment to the Bank of Canada Act to restrict the bank's mandate to price stability was perceived as unduly narrow.

The transfer of responsibility for job retraining to provincial governments was thought likely to reduce the amount of capital spent on such programs and therefore did not receive endorsement.

A suggestion to include in the proposals a provision requiring a balanced budget received a lukewarm reception. A proposal to establish a council of the federation and an independent monitoring agency was challenged on the grounds that a renewed Senate might more properly exercise these functions. Canada did not need another level of government.

There was general agreement that federal spending power should be restricted, but it was noted that if such restrictions had been in place in the 1960s Canada might not have in place its much valued national health scheme.

Concerning immigration, it was noted that under section 95 of the Constitution Act of 1867, the Parliament of Canada had all the authority necessary to accommodate any provincial aspirations in this area.

On aboriginal rights there was consensus that constitutional recognition of aboriginal rights is long overdue. Given the complexity of the problem, the fact that the government is only offering a process, is perhaps all that can reasonably be expected at this time.

With respect to the distinct society, the panellists observed that Quebec had always enjoyed a special status with respect to its civil law and rights of religious observation. However, there was concern that the distinct society concept, unless carefully worded, might entail allowing Quebec privileges of special access to the federal treasury that would be unacceptable in the kind of Canada that we are trying to build.

With respect to the general question of Quebec separation, the most accurate summary would be simply to note that there was no consensus. Opinion toward Quebec ranged from actively hostile to a passionate and eloquent statement by a woman who said it would break her heart to see Quebec leave. There was widespread concern that separation would cause financial harm to both Quebec and the rest of Canada, and that in an age in which economic units are becoming larger it would certainly prove to be a retrograde step.

We had between 25 and 80 people at these meetings. I believe the results represent the kind of thing we would get in any cross-section of my riding. I express once again my thanks to all the people who turned out and my special thanks to my three friends, political studies professors at the University of Guelph, for agreeing to hold these conferences and to do that hard work. It was theirs and I am very grateful.

The Acting Speaker (Mr. Paproski): I must say to the minister that the hon. member for Nipissing gave up his spot for you to speak. Perhaps you could thank him also.

Mr. Winegard: I am very grateful to the member for Nipissing.

Mr. Bob Wood (Nipissing): Mr. Speaker, I thank the minister for that recognition.

I appreciate very much the opportunity to participate in this discussion, one which perhaps will be one of the most important that this House is going to engage in for quite some time.

We are here today to talk about the Constitution, the document which defines who we are and how we relate to one another as citizens of this great country. We are here to exchange views and to listen, to tell this House what our constituents think and what they told us as their representatives. We are here today to try to reach an understanding and an empathy for people's views and concerns, and to do so in a sincere and honest way without any partisanship or any other antics that this House has been recently characterized by.

It truly is an honour for me to present the views of my constituents on an issue of such magnitude. My riding of Nipissing in many ways is a microcosm of the larger Canadian society. Demographically it consists of many different cultural groups with a significant native population. The proportion of anglophones to francophones is approximately 70:30. In economic terms the entire sphere of private and public employers can be found, ranging from military bases and government services to resource based agricultural, manufacturing and service industries.

Geographically the riding is comprised of both rural and urban communities, with our biggest centre of North Bay consisting of roughly 52,000 people. In Nipissing one can find a sample of most facets of Canadian life.

• (1940)

As we all know, this past September the government unveiled its list of 28 proposals for constitutional renewal. It was decided that to solicit people's opinions on them a joint Senate and House committee would be formed to travel the country and listen to what people had to say. When the work of this committee began to flounder, people's cynicism was fuelled. It was ironic that a committee trying to put Canada together could not get itself together.

It became clear that the committee would not be visiting many communities it originally planned to. The prospect of not being included in those deliberations was disheartening for many, including myself. It was against this background that I decided to organize and host my own constitutional forums for the people in my riding.

On November 18, 19 and 20 I held three such forums in the communities of Sturgeon Falls, North Bay and Mattawa. These meetings were advertised in advance as non-partisan avenues for people to come and participate in and share their views on whatever issues or topics were of concern to them. There would be no huge committee or travelling entourage, no public relations people or any such advisers. It was just myself, listening and taking notes without rebutting any participant regardless of my own opinions.

These forums turned out to be an overwhelming success. They were well attended and constituents got a chance to speak frankly without feeling intimidated on issues important to them. I must say I was very surprised with the amount of media coverage we received. It struck me as odd that a member of Parliament, basically doing his job in gathering the views of the people he represents, would obtain publicity from coast to coast. I could not believe the good wishes and praise I received from all quarters, regardless of political affiliation, for doing what I thought was a fairly simple exercise in democracy.

I say this to the House not to seek praise but rather to illustrate how detached many people feel from the political process; to demonstrate that we as politicians, and perhaps even the political process we symbolize, are quite literally out of touch with the people we claim to represent; to show that cynicism and negative attitudes can be overcome if parliamentarians do their jobs and ensure that people are an integral part of the process. Moreover, in spite of what many people say, people are not so apathetic and indifferent as we are led to believe.

On the contrary, if given the opportunity, people are responsive and willing to take part in the process. I am left with the impression that to some degree it has been the almost paternalistic-like attitude in which politicians know best that has turned many off.

Now that I have stated my observations, I want to share with all members of the House the views of my constituents on the constitutional proposals. As I promised them, they would be presented in a non-partisan way and they would be forwarded to the joint committee for consideration, which I have done.

I want to begin with the issue of distinct society for Quebec. In the Meech Lake round this was the contentious issue. Now that the government has defined what it means, it appears to be less controversial and more acceptable. In Nipissing, a slim majority favours distinct society on the condition that it would not subordinate anyone else's rights. Perhaps the following statement from a constituent best summarizes this view: "The Charter of Rights and Freedoms should be interpreted in a manner consistent with the preservation and promotion of a vibrant French speaking society in Quebec that protects the quality and influence of French as the expression of its culture and as the primary but not sole language of work, instruction, communication, commerce and business".

There were two issues for which people were nearly unanimous in their support: Senate reform and parliamentary reform. On the question of Senate reform, the vast majority favoured the concept of a triple-E Senate, noting that some kind of counterbalance to representation by population was sorely needed. People were sensitive to and aware of the feeling of regional inequality on the part of the west and the maritimes.

However, there were some stipulations put on this support. A few felt that some seats should be reserved for women and natives. Others stated that an elected Senate should have a full range of powers and not just the limited scope the government is proposing.

Additionally the issue of the six-month suspensive veto came up several times. Everyone who commented felt that a three-month veto would be more appropriate

and would not unduly interfere with the workings of the House.

On the matter of the Senate's role in appointments, people did not want to see a ratification process similar to that in the U.S. They stated that they did not want them to become a media show or vindictive character assassinations.

Parliamentary reform was another interesting area. Practically everyone was in favour of the concept. Constituents stated that they wanted to see more referenda on issues of national importance and more free votes in the House to reflect the wishes of the people and not of party discipline. This last point was reflective of most people's concerns. We must ensure that our elected officials represent us as was promised by them on election day. They must be accountable for their actions and represent our feelings and not what their leaders want, stated one constituent.

Another comment was: "There has to be a more equitable line drawn between party politics and what people want". Citizens are asking that their representatives speak for them and not for their party.

It is clear that we have to change the way this House operates if we are to have any credibility in the eyes of our constituents. The statement that best summarizes this sentiment came from one participant who said that politicians are asking people to be reasonable and yet politicians behave like children in the House.

The general feeling was that although people support a strong central role in economic affairs, the powers necessary to fulfil this objective must not be given away. We cannot claim to want labour mobility and yet have no national training and educational standards. We cannot hope to compete in a global economy with such an unorganized, inefficient and uneven approach.

On the question of native self-government there is not much that needs to be said. My riding of Nipissing has a thriving native community and people there have been living in relative harmony for quite some time. As a result most, if not all, participants agree that self-government must be recognized and entrenched.

I have presented the views of my constituents on the main issues but I want to share with the House a few other comments and observations of a myriad of others I received. I heard from young people who felt they had been neglected by the entire process. I heard from disabled persons who told me that disabled people should be recognized for their abilities. I heard about women's issues that were also very important and mentioned on several occasions.

In concluding, I want to thank the people of Nipissing for reaffirming my faith in this nation and the electorate. The constitutional forums proved to me that people care deeply about this country and are more than willing to keep it together.

I believe that a solution to our constitutional difficulties is within our grasp. All that is needed is for all politicians and decision-makers to park their egos at the door, stop the grandstanding, put the country first, and work out a compromise. We should not fear compromise for our country was built on it, not confrontation.

I would like to leave the House with one thought and one last statement from one of my constituents who said: "In the summer when I paddle down Trout Lake and the Mattawa River on the trade routes of our ancestors I am awed by our history and our culture. When I walk on a winter night and hear the frozen silence and see the moon break through the unpolluted skies I revel in the vastness and texture of our country. When I talk with Canadians from all cultures I am renewed by the opportunity to share their experience and yet strengthen their commonalities as Canadians".

This is Canada, Mr. Speaker.

Hon. Pauline Browes (Minister of State (Environment)): Mr. Speaker, I would like to start by quoting the renowned astronaut, Roberta Bondar, when she said as she spoke to the Prime Minister just a few weeks ago: "I would like to walk across every mile of our country Canada". She said this as she looked down on Canada from space.

Indeed, this is an important time for Canada. We are at a critical watershed in our history. We have always maintained that the constitutional choices we must face in the coming weeks and months are not about phrases, wording, or jargon but rather they are about people.

Canada is a diverse mix of many different and unique people. Our particular brilliance is in our accommodation of these differences, everyone is enriched.

In Scarborough we were privileged last fall to have the right hon. Joe Clark, Minister responsible for Constitutional Affairs visit and participate in the very first community meeting in Canada to launch the government's proposals concerning our constitutional renewal. Over 600 people turned up for this exciting event at the Armenian Cultural Centre in Scarborough. There were numerous Canadian flags in evidence. There were Girl Guides and Boy Scouts who handed out flags to everyone. The Sea Cadets assisted. The Agincourt Collegiate Institute band played. There was applause, there were speeches and most of all there was this heartfelt dialogue about the future of our magnificent country of Canada. The concerned citizens shared their views with Mr. Clark and myself.

• (1950)

During the discussion in that first meeting there was a question from a young student from the Woburn Collegiate, Gary Pirtam. He did not ask a question about legal jargon, about an asymmetry arrangement or distinctiveness, but he asked one simple question: "Will you come back, Mr. Clark, and speak to the students, the young people of Scarborough?"

On January 15 a Unity Festival was held at Woburn Collegiate in Scarborough, sponsored by the Scarborough Board of Education. It was organized largely by students and staff and under the direct leadership of John Volpe, the principal of the school. Special thanks need to go to Earl Campbell, the director of education for Scarborough and the chairman of the board of education, Dianne Williams, for their work.

No less than 25 schools were represented, with over 1,000 students jamming into Woburn Collegiate for that event. The festival began with a choir that sang "Bridge Over Troubled Waters". It was a moving experience. Students from different schools and different backgrounds described what Canada was to each of them.

If our current dialogue is about our future as a country, then I say who better to listen to than the young men and women who are our collective future? Let me share with you some of the excerpts from the students' comments:

Bogart Quinn, who is a student at Alternate Scarborough Education, spoke:

The Constitution

> One hundred and twenty years ago, a man named John A. Macdonald envisioned a society based on the precepts of tolerance, diversity and good will.
>
> Inevitably, our future must lie in the hands of each and every Canadian, or fate will take its course. I only hope that the children of my generation will have a country to call a home, a country called Canada, that weathered its darkest storm and came out all the stronger.

Barbara Warner of Stephen Leacock Collegiate Institute said:

> We must come to terms as to what Canada means to us, and what we see as Canada's future. For myself, I see a country whose economic troubles can only be overcome if unified. I see a country that treats all its citizens with respect. I see a country whose native peoples are self-governed, and whose traditions are preserved. I see a country that finds its strength in its diversity. I see Canada entering the twenty-first century united, and all Canadians looking forward together to a bright future.

Marcus Sharaput of Woburn Collegiate Institute added some prose:

> As I grew up, I was told by the media, by my teachers and by society that my country does not have an identity. I will not and I cannot agree with this statement. Canada does have an identity, we simply do not brag about it. Canada is a country without rhetoric. Our past is not based on wars or great speeches, but on compromise and on consensus. Canada has heroes, we simply do not glorify them. Canada is a mature country, far more so than many nations who consider themselves our political elders and as such we must make a mature decision regarding the upcoming crisis. There are radicals on both sides of the unity question. But moderates on both sides realize that if Quebec separates the loss to Canada's economy, culture and identity would be irreplaceable.
>
> There are people who wish to see the world in terms of black and white. Life is not that simple. We exist in a world of grey. No one side can be completely satisfied, we must reach a consensus, we must find a compromise.
>
> On the question of Canadian unity and the question of black and white, it is our duty as citizens of this country to become involved. We must do whatever we can to help our leaders find a suitable shade of grey.

These are good words and advice for all of us from the students of Scarborough.

It was a thrilling day, ending with a unity march for Canada to the Scarborough city hall by hundreds of Scarborough students. They were led by the Lieutenant-Governor of Ontario Horse Guards. It was a demonstration of love for Canada, a reaching out to other citizens, other students across Canada. As a follow-up 25 members of the Principal's Association of Scarborough will be travelling to Quebec on March 5 and 6 to meet with their counterparts in Montreal.

I am proud of the enthusiasm and initiative the Scarborough students demonstrated. In fact, Scarborough hosts the largest Canada Day celebrations in metro Toronto. The planning is already under way for the festivities on July 1 toward a meaningful celebration to mark our 125th birthday.

Since being elected to the House of Commons, I have had the opportunity to serve on three parliamentary constitutional committees: the Committee of Equality Rights, Committee on the Companion Resolution to the Meech Lake Accord, as well as the Special Joint Committee on the Process of Amending the Constitution. Indeed, from these opportunities, I have learned a great deal about the country and about Canadians and I have heard of the love and respect that Canadians have for this country.

Let me turn to one of the specific proposals within the constitutional package. Someone said that our Constitution should be a mirror in which Canadians could see themselves reflected. Nowhere is this better exemplified than in the proposals of the Canada clause. It sets out the values and the ideals which unite us as Canadians, concepts like equality, fairness, openness, diversity, tolerance and, of course, freedom. The Canada clause makes us proud to be Canadians.

One section of the Canada clause is that part which sets out our commitment to sustainable development, our unique responsibility to preserve and protect the environment which we share for future generations.

We have heard much talk over the past few months about the economy on one hand and the Constitution on the other. Some have argued that the two are separate and unrelated issues. A strong economy and a healthy environment are two of the pillars upon which we have built this magnificent nation. These two concepts are not themselves separate: a healthy environment and a strong resource base are both fundamental elements of a strong economy. Further, economic growth and prosperity are required to support wise resource and environmental management.

We are aware of the linkages between the environment and the economy. It is the basis of our commitment in the Canada clause to sustainable development. The government has proposed that sustainable development be entrenched into the Constitution itself. This is not just symbolism. Canada's green plan makes it very clear that we are firmly on the path of sustainable development. It is a long-term and comprehensive plan of action that addresses Canadians three basic environmental desires: clean air, clean soil and clean water.

The constitutional proposals include additional measures for co-operation and co-ordination. They will allow governments to co-operate in establishing national objectives and standards and harmonizing policies and programs.

The young people of Scarborough, our young people of Canada, understand the importance of environmental protection and a united and strong Canada as the best way of making this happen.

Mr. John Manley (Ottawa South): Mr. Speaker, I am pleased to be able to participate in this discussion tonight.

I would like to start by referring to a quotation by Sir Wilfrid Laurier that is contained in the booklet *Shaping Canada's Future Together*. The quotation reads as follows:

> Canada has been the inspiration of my life. I have had before me—a policy of true Canadianism, of moderation, of conciliation. I have followed it consistently since 1896, and I now appeal with confidence to the whole Canadian people to uphold me in this policy of sound Canadianism which makes for the greatness of our country—

I talk about the Constitution and try to reflect the views of my constituents with some degree of apprehension. I do so for a reason. I speak tonight very frankly and very honestly. I think that is the purpose of these special sittings of the House.

Very frankly, my constituents are tired of listening to talk about the Constitution. They are tired of seeing politicians and others, some elected politicians and many non-elected politicians, rolling up their sleeves and intervening in the nuts and bolts of how our country works because they have a great fear that we are going to mess it up.

• (2000)

My constituents believe that much of what we have in Canada is worth preserving, that it is very good, that it has worked well, that it has made us a safe and prosperous land, one of the most blessed nations on earth.

At all costs, what we do in changing it must be a change for the better rather than a change for the worse. I think that part of their frustration about hearing us continuously talk about the Constitution is the fear that

somehow or other we are actually going to make matters much worse than they already are.

Part of it, as some of my colleagues have mentioned, is because they have reached the point where they mistrust political leaders at all levels. They start, of course, with the Prime Minister. All of us know that on both sides of the House of Commons, but it is not limited to him in particular. It extends to each member of Parliament as well as elected officials at the provincial and the municipal levels. There is a very great mistrust of the provincial premiers.

There are many other concerns that my constituents are more anxious to discuss with me than the Constitution. I suggest to you the first at the moment is the economy, and very close to that particularly in recent days with the news of the depletion of the ozone layer is the environment.

The message that I bring from my constituents is: For goodness sake, get this out of the way and get on to the issues that are really, truly important to us. That being said, I wish to override everything that follows with those comments. Indeed, what my constituents think are most important are not constitutional matters.

I have endeavoured to obtain their opinions on constitutional issues first of all by circulating a survey door-to-door within my constituency .This was done before the government's 28 proposals were made public. I gained, in response to that, about 1,400 individual answers from constituents to this series of questions.

In addition, I have held public discussions. We held a televised phone-in program on the Constitution to give people the opportunity to discuss it. On top of that, there were many calls, letters, and conversations with people throughout the constituency.

Ottawa South, Mr. Speaker, as you might not be surprised to hear is a constituency very in tune with federal politics. People in my constituency and in the national capital region have more at stake in this discussion than those in any other part of Canada. They follow it closely, they are well informed and they are very anxious to participate.

I have learned a number of things from my consultations. I would like to just summarize some of the messages. First of all, I think that there is a clear identification with a Canada that is bilingual and multicultural. That message was revealed in my question about what the nature of Canada statement in the Constitution should include.

Fifty-four per cent said yes to an attachment to two official languages and 37 per cent said no. Sixty-six per cent believed that the diversity of our cultural heritage should be noted. I think this is very important: 77 per cent wanted a recognition of the role of our aboriginal people. I think that that is a particularly strong sentiment in Ottawa South.

There is also a great desire to see some changes to the institutions of our government, particularly reform of the Senate. A very large percentage wish to see the Senate elected and on reflection rather than from the survey but by subsequent discussions, a very strong reform of the House of Commons is desired as well.

The people of Ottawa South exhibit a very great attachment to the Charter of Rights and Freedoms. This has come out consistently in discussions that we have had. For that reason, people are very concerned about what goes into the charter and how it is given effect in our system of law.

It would be fair to say that many object to the use of the notwithstanding clause by any level of government. They would like to see it removed from the Constitution.

While we do not like to pre-judge the results of a referendum in Quebec, I would be failing to reflect the views of my constituents clearly if I did not say to those who wish to advocate an independent Quebec, particularly a sovereignist Quebec, that the people in my constituency do not consider sovereignty association to be an option available to the sovereignist movement in Quebec.

If they vote in that province to go apart from Canada, people will want to look very closely at the kind of negotiations that would occur. The option of saying they can have it both ways, that they can have a strong economic union with Canada and independence on the other hand, is simply not available in the views of the majority of my constituents. I must say to the members of the Bloc Quebecois that I share those views.

There is concern about the economic union. We are united on the need for strong social programs. Whether

it is put in the context of a social charter or whether it is simply said, Canadians are united in their desire to share nationally the kind of programs we have become so attached to, particularly our health care system and our educational system.

There is also a recognition that in order to successfully maintain that social network, we are going to have to have a strong economic union. That includes the reduction and eventual elimination of trade barriers between and among our provinces.

About 500 of those trade barriers do a few things. First of all, they limit our prosperity because they limit our ability to trade freely with one another.

Second, they make us much more vulnerable than we would otherwise be to the pressures of internationalization that are occurring despite our best efforts.

Instead of being 10 little markets as we economically are at the moment, we should be one little market which is all that Canada can be. At least it would be much bigger than any of our provinces are on their own so that we can in preserving our national identity resist as much as possible those global pressures.

Finally, I would like to note the value that our people see in Canada. We offer to the world something that truly is unique. We offer a country which has a view of the world that says that bigger and stronger is not always better. We offer a view that says we need to look after our poor, our weak, our sick while rewarding talent, skill and enterprise. We need to continue to put forward on the world stage a view that says it is no shame to seek compromise where others see only conflict. This is what has made Canada great.

I conclude by one last comment on my own fears. Two days ago, two young Canadians, Lloyd Eisler and Isabelle Brasseur, distinguished Canada by winning the bronze medal in the Olympic Games.

As I watched our national newscast that night, what did I see? Not a celebration that these young Canadians were the third best in the world. I saw clips of Isabelle falling as she did perhaps once or twice in a long program.

Why is it that instead of focusing on the few things that maybe do not go perfectly in our country, why do we not focus on the things that make us so great.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I stand here tonight as a Canadian, someone of Scottish descent whose family landed on the shores of Canada some 160 years ago in Broad Cove in Cape Breton. This makes me a fifth generation Canadian of Scottish heritage. I had a great uncle who represented the riding of Inverness County in Cape Breton in the early 1920s. I am very pleased to now represent a riding in northern Ontario, the riding of Timiskaming.

• (2010)

Over the last number of weeks and months I have had the opportunity to travel in my riding. I have had constituents come into my office. I have had letters and phone calls, talking not only about the Constitution. Quite frankly, in my riding the number one concern within the hearts and livelihoods of my constituents is the economy. We are going through some very difficult times. We know that if we as a country are divided, we are never going to be able to ensure stability or a future for those of us who are living in parts of the regions today and our families of tomorrow.

When talking with my constituents, one concern came out very loud and very clear from veterans who have served in three wars and individuals who have immigrated from other parts of the world to Timiskaming, whether it was in the 1940s, 1950s, 1960s, 1970s, or into the 1980s, or our francophone community which makes up 27 per cent of my riding. Every one of them made it very clear to me that they are not a hyphenated Canadian, they are Canadian.

Those who fought in those wars fought for the security and the future of Canada from coast to coast and to ensure that our young people would have the opportunity for the freedom that everyone in this room here tonight has and what all Canadians have been able to enjoy.

I would just like to take one moment and quote a few lines out of just one of the many letters I have received from my constituents. "We Canadians should show more of what we believe in. We do not show that we are proud of our country and I am always surprised at the July 1 celebrations how few Canadian flags are flying in our town. Hardly any. We have to be more outgoing to tell

others that we love our country and to tell our friends in Quebec that they are part of a lovely country and we love them very much. What is wrong with our country right now is that we listen only to minorities. We are a melting pot, but there should be standards which are Canadian. I came to Canada 25 years ago and 20 years later I became a Canadian citizen. When I decided to become a Canadian I also made a decision to be part of the community and fit in. I never thought of imposing some things as a minority to the rest of the country. The Lord's Prayer is no longer said in public schools because it hurts a minority. The Mounties can wear turbans and youths are allowed to wear daggers because of religious beliefs. We give in to all minority rights because of the Charter of Rights. This Charter of Rights clause can be misused and it is misused. It is impossible to please everyone".

That is just one of many comments I have received from my constituents.

Canadians have always been noted as being builders of a country. We go back to Sir John A. Macdonald and the rail system that tied this country together from coast to coast, John Diefenbaker and the Roads to Resources, visions of tying this country together. Today our present Prime Minister has a vision of what the future should be. Whether we are talking about the Constitution, the future of this country or looking at the free trade agreement, some will think today that we may be wrong, but history will certainly indicate that it was the right decision.

Consider how we have been able to build together in the past 30 years. Within the lifetime of most of us in this room tonight, since 1961, we have had the second highest rate of growth among the G–7 nations, the second highest rate of investment growth, the highest rate of job creation in the OECD countries. We never hear about that. We never hear about the positive response that is taking place in this country.

I think as Canadians that one of the biggest problems we face is that we have a tendency to live within our own little area and be ones to complain about, discouraged about but not looking at, the over-all approach of what this country is all about. The fact is that one of the greatest problems we face in this country is we really do not understand and know more about each other, about those of us in northern Ontario who may know more about those in B.C. or in the province of Quebec or in Newfoundland.

I think that is one of the reasons why this country is having difficulties, a combination within our educational system and a combination that maybe sometimes we should be looking at spending more time in our own country, talking with each other, understanding the differences between urban and rural Canada, between the north and the south and the east and the west.

Last year, in fact on this day, the Prime Minister was in Quebec City. He warned Canadians about the damaging effects the focus of disunity will have if we allow them to dominate the national unity debate. The Prime Minister told us at that point: "Watch out for the dream merchants, those who say it is no problem to destroy a great country and to rebuild it later, those who claim that they alone can change the course of history". Truer words have not been spoken.

No one can question the commitment of this government, the commitment of ensuring that this country remains together, grows together and becomes stronger with a more collective effort. In Toronto last February the Prime Minister made a clear heartfelt statement that all Canadians should be proud.

Let me make it clear, Canada is not up for grabs. Either we have a country or we do not. We cannot have it both ways. My country is Canada and I intend to strengthen it and I intend to keep it.

There are two last comments I would like to make. John Diefenbaker said in 1967: "Canada needs a renewed sense of national purpose. We need to maintain and to strengthen the basic foundations of the Constitution. We need to instil in every Canadian the spirit of Sir George Cartier. Before all, let's be Canadians".

I was born a Canadian and I plan to die a Canadian.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have in my hands some 38 photocopies of posters, letters, some of the letters hand written, some printed, all of them with a common theme. They are from a group of grade 5 elementary students at Mountain View Elementary in Nanaimo. They are addressed to any group of grade 5 students in the province of Quebec which believes in the future of Canada, which wants to, as they put it, save Canada.

I could not help but think as I was reading these letters and waiting for my opportunity to speak that had Canada spent a great deal more money on student exchanges between English speaking communities anywhere in Canada and French speaking communities anywhere in Canada and a lot less money on commissions that travelled this country from one end to the other, perhaps we would not have the problem that we have today. I wish that that program were pushed and that we quit examining ourselves as much as we have done.

I sent the letters on. These are photocopies. I never heard whether they were answered. As I say, they were all written in English because those students on Vancouver Island could not write in our other language, the other official language of Canada.

Those letters were sent to me in May of last year. In June the Nanaimo NDP organization organized a public meeting and invited people to come to talk about the Constitution. It started at ten o'clock on a Saturday morning, adjourned for lunch but the discussion at lunch was all about the morning's agenda, carried on in the afternoon until 5 p.m. There were some 60 people present. There was an MP there. It was not myself. I was there to greet them in the morning, but I had other duties. One of the members of the joint committee, the hon. member for Port Moody—Coquitlam, was there. He told me afterward what a great meeting it was and how positive the feeling was in my community, at least as represented by the people who attended that meeting on a Saturday. I was encouraged by that.

• (2020)

In October, I believe it was, one of the local newspapers, the *Nanaimo Bulletin*, printed a ballot on the front page and the paper went to almost everybody in the community. The person who did the ballot, Merv Unger who worked for the paper then, told me how surprised and pleased he was with the volume of the response. I was not so pleased with the content. A lot of negative feelings were expressed.

By that time there were negative feelings being expressed. Whether it was because these people were associated with the Reform Party or not I do not know. They were expressing their concerns that one province in Canada was trying to lead us to destruction and their attitude was: "Why not let them go?". That feeling was prevalent but was not the majority. The majority of the people in that ballot, at least as quickly as I could determine from going through the ballots, wanted Canada to be saved, wanted us to stay together as one country.

In November my office sent out a householder. It was not a large effort. It took five sheets of 8.5 x 11 paper, including the cover. It talked briefly about the issues before us in considering the Constitution. In each case it raised a couple of questions about each one of these issues. It ended up inviting the people receiving it to write in and ask for a much more extensive paper on the subject of the Constitution and a ballot that they could fill in and mail back to me. Some 45,000 of these went out to the riding. It is a large riding; it took that many to cover all of the households. Some 1,205 wrote in asking for a copy of the background paper that was offered, a 38–page document. They also wanted the 29–page ballot that was offered along with it.

I was encouraged by the response. A high proportion of the people who got the householder did ask for the background paper because they were interested in the subject. They did ask for the ballot because they wanted to let me know how they felt about the issues. Some of them in their letters, expressed concerns wondering whether I would pay any attention to the answers.

It is not too hard because I agree with the majority vote from my constituency as represented by the people who have spoken to me, by the people who have written to me, and by the people who have submitted the ballots. I wish more ballots had come in, but I am pleased with the response as indicated by the ones who did submit the ballots so far, and they are still coming in.

I do not intend to go into any great detail on the content of this. It is one of the things that I will be submitting to the committee this evening. I could read from the conclusion of a six–page document that has been prepared reporting on the ballots that have been received. This will go along with the ballots to the committee. Part of the conclusion states: "The results indicate thoughtfulness and intelligence on the part of the constituents of Nanaimo—Cowichan, along with a very sincere desire to be informed on the issues and to offer a contribution. Perhaps the clearest observation

from this survey is that we need not fear the knowledge and opinions of Canadian people".

I heartily endorse that report as well.

In July 1990 Canada Day was on a Sunday. I received a letter. The same letter went to the mayor of Nanaimo and to the MLA. All three of us were asked to come to church, the Evangelical Church, on Sunday and to tell the congregation how we felt about Canada. It is the only organization that I know of that has done something like that, the only church organization. I am sure they all feel that way, but nevertheless that church invited the three of us.

On Canada Day in 1991 the same three people were invited back once again to tell the same story. I was asked to speak first and I told the congregation how I felt about Canada. The member of the legislative assembly told the meeting how he felt and the mayor did as well. Mayor Frank Ney said something in his concluding remarks that I wish I had said. He said that looking at the group reminded him of elementary school students, for there was a preponderance of young people in that church congregation. He said that we have to save Canada, we have to keep Canada together for the sake of the young people in this congregation, in this community, and in this country. I wish I had said something like that.

I am speaking for the majority of my constituents, even the students, when I say that I want Canada to survive. I am prepared to sit down and talk with anyone who comes to me and says that yes, Canada is our home. We are sharing it with some 28 million inhabitants, some of whom are descendants of people who have been here for thousands of years, perhaps. Others have come from all parts of the world more recently. We are sharing it together, the best place in the world, the best home in the world for its 28 million inhabitants.

Those people say that we can make it better, that we should sit down and work together and discuss how we might make it a better place for all of us. With that person I will sit down and talk. I will listen. Together I hope we can work something out for the benefit of all of us.

If someone came to me and said that this home of ours might be good but it could be better if we split it asunder, divided it, and some of us might be better off than we are right now, I would not be prepared to discuss anything with that person.

There are others who will say that we have to break it apart to make it a better place, that after we have broken it apart perhaps everybody may be better off. I am not prepared to sit down and discuss anything with that person.

Canada is the best place in the world.

A letter was read much earlier this evening that probably went to everyone expressing better than most of us can just how we feel about Canada. It is my home. I was born here. No one has the right to destroy my home. They have the right to share it. They have the right with me to try to make it better, but they have no right to gamble on destroying it to make it better or to make it better for a few.

That is the voice from my community. We are not prepared to be threatened. We are not prepared to offer ourselves up to the possibility of blackmail, but we are prepared to sit down and talk with anyone who wants to work with us to make it a better place in which we can all live.

That is the kind of Canada I want.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I am very pleased to participate in the debate this evening because it is important that sovereignists from Quebec explain to the rest of Canada what is really going on in our province.

The members of Parliament from Quebec, most of which are Conservatives, have nothing to gain by explaining to Canadians what is going on in Quebec because it would harm their respective parties in the rest of Canada. Therefore, this evening I wish to inform Canada of the opinions of our constituents.

Some members have talked about surveys or have expressed their opinions following discussions in their ridings. I will talk about the best possible survey, which is an election.

I was elected under the Bloc Québécois banner, whose program is open, frankly and clearly geared toward sovereignty. The results left no doubt in anyone's mind. The Bloc Québécois got 68 per cent of the votes; the Liberal party 19 per cent; the NDP 8 per cent; and the Conservatives, who form the government, 3.9 per cent. In my opinion, this is very telling. Why did we get those

results? I believe it is essentially because Quebec is not a distinct society but a distinct nation which, for decades now, has been defining, organizing and developing itself. The failure of Meech Lake was a turning point in this long process.

• (2030)

Following the failure of the Meech Lake Accord, the Government of Quebec set up the Bélanger–Campeau commission which, with utmost rigour, towed the province of Quebec and arrived at some conclusions: we must put an end to the political uncertainty because it affects the development of Quebec. The commission proposed the holding of a referendum on sovereignty in 1992, and that recommendation was included in Bill 150 by the Government of Quebec. In this bill, the Government of Quebec specifies that sovereignty simply means that Quebec will be the only jurisdiction to raise taxes, legislate on its territory and sign international treaties.

This project of a sovereign Quebec is both modern and democratic, and it is aimed at creating a society without racism, sexism and violence. A sovereign Quebec will recognize four groups: the francophone majority, of course, but also the anglophone minority, the aboriginal peoples and the ethnic and cultural minorities. The collective rights of each of these groups will be enshrined in the constitution of a sovereign Quebec.

This is a modern project which does not go against history, in spite of what some may say. If you look at the situation in the world right now, you will notice that there are two main trends: one is the birth of countries—that was the case in eastern Europe where nations finally created their countries—and the other is the creation of economic groups, such as the common market in Europe and the free trade agreement between the United States and Canada. Even if that agreement was badly drafted, the fact remains that it follows the current trend. There will be more and more of these economic concentrations.

Mr. François Mitterrand, who surely knows about these issues, was quite right when he said that to fully participate in an organization, you must first be yourself.

[*English*]

Mr. Lee: Mr. Speaker, I rise on a point of relevance. The hon. member, if I follow his remarks, seems to be discussing the history of the evolution of the common market in Europe. I understood the purpose of the debate was to report to the House on the views of each of our constituencies relative to the constitutional debate. Perhaps the member could take that into account.

The Acting Speaker (Mr. Paproski): Although he is a fairly new member, I know that he is going to get to the point. I appreciate the fact that the hon. member has drawn that to his attention.

[*Translation*]

Mr. Duceppe: There is no problem, Mr. Speaker. After all the detours I heard tonight, I suppose I am getting right to the point.

Given these two major trends, we must realize that Canada cannot develop as a country now, nor can Quebec, because each prevents the other from doing so. Canadians want a strong central government, national standards, a country in their image. And Quebecers too want a country in their image.

To take the example that Brian Mulroney and the Liberal leader Jean Chrétien often use when they talk to us about the European Economic Community, they should first of all realize that the strength of the common market is that it is made up of sovereign countries which all freely agree to cooperate with one another in the economic sphere. That is realistic.

We must be careful and beware of people who get away from realism. I am thinking of those who talk about violence, about partitioning the territory of Quebec; among them are some university professors. It is strange to see these people hail the birth of countries in eastern Europe and talk about violence here. Those countries were oppressed, their situation was very different from Quebec's, I admit, but is it logical to say that the democratic will of Quebecers could not be recognized unless there were violence beforehand? That seems dishonest and undemocratic to me.

We must also beware of the inconsistency of some arguments. Many people, including Ovide Mercredi, tell us that Quebec is not a people, not a nation. In English, "distinct" means "superior". And yet, I heard all of

Canada applaud the agreement made between Premier Rae of Ontario and the First Nations. This agreement says at the beginning:

[*English*]

Whereas the First Nations represented by the Chiefs in Assembly, hereafter, the First Nations exist in Ontario as a distinct nation.

[*Translation*]

You see, aboriginal people can be nations and no one makes a fuss. They can be distinct nations, but for some reason, Quebec is different. I must say the logic escapes me.

Some more false premises. They say Quebec gets more from the federal government than it pays out. The Bélanger-Campeau commission proved that over a long period of time, we receive as much as we give, except that we receive it in the form of unemployment insurance. Ontario gets it in the form of research and development and industrial grants. This produces countries and economies that are totally different.

Let's assume, for the sake of argument, that Quebec gives more. Once Quebec is independent, I don't think its economy would be in any great danger, if we give more than we receive. And assuming that Quebec receives more than it gives, is Quebec so popular that Canadians would be prepared to pay us to stay in Canada? I doubt it Mr. Speaker. I doubt it very much.

Finally, I want to respond to a statement by a member of this House who said there would no more negotiations once Quebec was sovereign. Let's be realistic. I wish members who say that would go to Oshawa and explain to workers in the automobile industry that they will have to go on unemployment insurance out of patriotism, because Canada cannot sell any more cars to those poor Quebecers who will have to make them themselves or buy them in the United States. That doesn't make sense. I would like to see that same member tell western farmers they will have to eat all their beef or watch the carcasses rot, instead of selling them to Quebec. This does not make sense.

I submit there are mutual interests. There are 100,000 jobs in Ontario that depend on the Quebec market. In Ontario, when workers at de Havilland saw Bombardier would save their jobs, they didn't care whether the money came from Quebec, Taiwan, Japan or Ontario.

I hope we will end this uncertainty. I hope we will stop preventing each other from having the kind of country we want. Build the kind of country you want. Build a great country. We will build the Quebec that Quebecers want, and then we will have the kind of normal relationship that exists between two sovereign, modern and democratic countries that will probably get along better than we do today.

[*English*]

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, to preface my remarks, I just listened carefully to the remarks of the hon. member preceding me.

I cannot doubt, nor should Canadians doubt, the sincerity of his remarks and his pride in the history of French Canada, its heritage and its feeling of being a nation.

This time slot here has been allocated to permit us time, as MPs, to report to Parliament on the views of our constituents on the subject of constitutional reform.

The means in Scarborough—Rouge River have been the fairly routine; letters, phone calls and discussions held in various parts of the riding and one survey some months ago. That survey was not necessarily the most scientific of surveys but it was indeed a survey. Maybe it is not perfectly representative of everyone's view in the riding—no survey can be—but it was very real. It was very true, and the results will accurately reflect the views of the individuals who reported. The first thing I want to do is report very briefly on the results of that survey.

• (2040)

Relative to the issue of the constitutional statement on the nature of Canada, sometimes called the Canada clause, on attachment to the two official languages, there was substantial majority in favour of that.

On diversity of Canadian heritage, on the role of aboriginals, there were substantial majorities in favour of those two.

On the issue of the distinct character of Quebec's society, there was division.

On the elimination of provincial barriers to trade and commerce and the movement of capital, there was a substantial majority in favour.

In relation to the election of a Senate, there was a substantial majority in favour. On the actual role, function and powers of a Senate, there was less agreement; in fact, there was division, but there was clearly a tendency among the electors of Scarborough—Rouge River to have a Senate with more oversight powers, oversight over government, review powers and to ensure that the Senate had the effective power to deal with those types of initiatives.

On the role of the provinces or territories, in a decision as to whether or not there would be a new province in a particular territory, there was substantial support for the decision to be made jointly by the federal government and the territory, and there was little support for the role of other provinces in that decision.

On the role of the provinces and territories in the selection or appointment of Supreme Court judges, there was a substantial majority supporting a role for the provinces in that selection or appointment.

Last, on provincial or regional constitutional vetoes on constitutional matters outside of the existing section 41 veto, there was division. There was clear division and uncertainty as to which entity, which region, which provinces should have a veto.

That is a quick summary of the survey.

Scarborough—Rouge River is an urban southern Ontario riding. It contains a balance, and I use the word advisedly, a true balance between new Canadians and not-so-new Canadians. It is clear, with virtually no exceptions, that every single one of us is proud to be a Canadian. We are proud of our history, we are excited by our country's future prospects, even in the middle of this very cruel and damaging recession.

My constituents want a strong Canada with a national government that works. They definitely believe that they are over-governed. As citizens of the city of Scarborough, they feel they are over-governed. We have a city government, we have a metropolitan Toronto government, we have a provincial government and we have our federal government. We know that very well because every nickel that it takes to run and operate each of those governments is going to come out of our pockets as taxpayers.

There is frustration out there that the reform and the cost efficiencies which they would like to see happen may be eluding them as an electorate, and eluding us as elected. They are frustrated by that and they clearly wish to see more.

The constituents of Scarborough—Rouge River are demanding that all levels of government take up the challenge to limit the growth of government, reduce the cost of government and purge government of duplication and redundancy.

On the constitutional reform agenda, as proposed by the government, there is one school of thought that says: "Stop the nonsense, stop the exercise. We do not want to deal with the Constitution now. The big issue, the only issue is the economy". I suppose if you are out of a job that would be a very natural predisposition.

There is the other school of thought that says: "Legislators please, get right to the task of constitutional reform. Don't delay it. Deal with it quickly and then let us get on to all of the other important issues which we must deal with, including the economy, crime and violence, health care costs, education and training our youth and all of the very many other issues".

To close this perspective on the views of the constituents of Scarborough—Rouge River, to refer to the upcoming national government negotiations with the provincial governments on constitutional reform, including the Quebec government, the residents of Scarborough—Rouge River want a country that is whole. They want a country that has a modern viable constitution. They do not want a constitution at any cost.

We want one that all Canadians can join in confidence and continue to build our futures, a country that is home for our French speaking Canadians and the great French Canadian heritage that is there and a home for all others, each of us with a heritage of which we are proud.

The constituents of Scarborough—Rouge River are ready for the constitutional challenges of the next few months. They challenge all of their elected representatives on the related matters that I have spoken to earlier in my remarks.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too am absolutely delighted to be able to rise in this House tonight and speak on the Constitution, and with all

others in the House of Commons, to speak to the issues that the residents of my constituency, which is Nepean, have presented to me on issues of constitutional matters.

In April of last year, I sent a questionnaire to all of my constituents, asking them for their thoughts, ideas, suggestions and concerns regarding the constitutional debate and the future of Canada. The overwhelming response that I received was compiled into a report entitled "Canada: A Phoenix Rising" and a copy was sent to the Spicer commission and to all members of Parliament and senators.

Since then the residents of Nepean have continued to demonstrate a keen interest and a strong desire to play a role in the constitutional debate. Many have called my office to request copies of the government proposals and summaries of the recent constitutional conferences. They have expressed frustration at the inability of the government to give straight answers about the proposals and they have expressed anger at the seemingly endless string of committees, whether it is the Spicer, Beaudoin–Edwards, Dobbie–Castonguay and now the Beaudoin–Dobbie. They are most anxious to get to the real issues that are facing the country, such as the economy, jobs and unemployment.

Last month I again compiled the views of some constituents and submitted these views as a brief to the special joint committee. Half a year after they had first had an opportunity to air their views, the most marked change that I noticed was in the frustration that they felt. Did all of these committees and forums mean anything? Were their views really being listened to? Or was the special joint committee just another exercise in smoke and mirrors, another attempt by the government to fool the people of Canada into thinking that their opinions really mattered?

Today I once again put forward the opinions of the constituents in the hope that this government will listen to their hopes for this country and will heed their concerns when the final report of the special joint committee for a renewed Canada is submitted.

Perhaps the most frequent comment about the package of proposals as a whole was the vagueness and ambiguity of the wording. The Constitution as a document that will shape Canada into the 21st century must be clear and it must be precise.

• (2050)

A second point which many agreed on was the need for all Canadians to have the last word on whether the final document was acceptable, the need for a referendum where people could give or withhold their consent specifically to the constitutional document.

The economy was foremost in many minds, especially now in these difficult times.

A clear distinction between federal and provincial jurisdiction is needed to ensure that adequate responsibility is taken for matters such as education and health care.

Also, Canadians in all parts of the country should have equal opportunity for prosperity and advancement.

Many Nepean residents were worried that by designating Quebec as a distinct group other equally distinct groups will be neglected. Residents of Nepean for the most part are proud to live in a country that is both multicultural and bilingual.

However, they did feel that a review of how we are implementing both of those concepts should be undertaken and that the Government of Canada must ensure the rights of all Canadians within a multicultural and bilingual framework, the majority as well as the minority.

Although only a very small number of my constituents are aboriginal, many are concerned that the First Nations of this country, people who have contributed so much to making Canada what it is, have been neglected.

In September, my provincial colleagues and I held a forum entitled "Shaping Our Future—Canada's Aboriginals Speak Out".

Interesting questions about a variety of issues were raised including self-government and education. The many people who attended came away with a clear understanding of who the First Nations of Canada are and what it is that they want to gain from the constitutional debate.

The inclusion of a Canada clause was generally approved of and affirmation of the Canadian identity is crucial to growth and prosperity. Identification with Canada as one strong united country should be a priority for all Canadians. However, as with all parts of a package, the wording must be very carefully developed

to ensure that the inherent nature of our country is protected.

Finally, the stronger leadership and more responsive and responsible government topped many agendas. Nepean residents want a House of Commons that is less partisan and a Senate that is elected and effective.

I would like to share with you some specific recommendations that were made by several residents of the city of Nepean.

One is a recommendation for Senate reform that was suggested by Mr. Tony Colven of Nepean. He recommends a Senate that would be elected from the entire national electorate with candidates standing for constituencies that represent concerns rather than places.

Any legitimate group able to assemble a specific minimum membership could put forward a slate of senatorial candidates arranged in order of popularity. All Canadians could then vote according to major concerns.

Although such a process would be unlikely to produce a dominant group, it would be capable of providing a broad base of opinion that would increase the effectiveness and the responsibility of the Senate.

Mr. Malcolm Smith says: "The Charter of Rights and Freedoms has not protected the English minority in Quebec from the repressive language laws, nor has the Parliament of Canada".

Mr. Jacques Roy says: "Canada must be a global economic power to secure and maintain a good standard of living. All Canadians must identify with Canada first. As long as we will endeavour to cultivate two or more different cultures without the vision of a united and strong Canada, and as long as we continue to ensure that they are different and separate, we will not develop a Canadian identity".

Mr. Jim Rennie says: "Let's try to analyse the reasons why some of the residents of Quebec support separation and let us come up with a strategy to undo all of the adverse rhetoric and get this country pulling together".

Mr. Paul Bender says: "We can and should learn from the native peoples of Canada who identify more with the environment than with possessions and monetary wealth".

I want to thank my constituents who responded. I had in the area of 700 responses. I do not wish to indicate that they are representative of all of the people of Nepean because they certainly are not.

I want to thank them for taking the time and making so many valuable contributions to this debate which is so crucial to Canada's future through "Canada—A Phoenix Rising" and through my more recent report to the special joint committee on a renewed Canada. I have tried to represent these views as accurately as possible here in the House of Commons.

Now I ask the government: Please listen to the voices of the people of Canada. Please consider carefully all viewpoints and perspectives including those of my constituents of Nepean. Please when the final report is tabled make sure that it will help a united Canada to grow and to prosper into the future.

Mr. Girve Fretz (Erie): Mr. Speaker, I am grateful for the opportunity afforded members in the House to speak on the Constitution and for these special sittings which afford us that opportunity.

Each of us has received letters from our constituents and indeed from people from across the country on their thoughts on the Constitution. I want to read just a couple of paragraphs from one letter that I received.

"For me, Canada is more than a country and more than a nation. Canada, for me, is the idea of the ideal society of the future and an example for the rest of the world to follow. Canada, for me, is tolerance, open channels of communication and peaceful means of solving differences of opinion and disagreements. Canada, for me, is a great open society in which everyone is equal and at the same time can be unique and distinct while an integral part of it. For me, Canada is a ray of hope, shining in the sky of humanity and the greatest country on earth."

I felt that I should include that in my speech tonight because those are words that I perhaps wish I had penned. I want to quote from Sir John A. Macdonald who said: "Let us be English or let us be French, but above all, let us be Canadians."

Being Canadian is infinitely more important than being Liberal, Conservative or NDP, whether we are from the right or from the left, labour or business, or

whether we are from the east or the west or from the north.

An excellent speech came across my desk from Mr. Allan Taylor, chairman and chief executive officer of the Royal Bank of Canada. I want to read a part of his speech into the record tonight.

"What Canadians should be asking themselves first and very explicitly is whether disunity is the answer to the challenges we face.

Do we really need to blow Canada apart to meet Quebec's historic concerns? Quebec is a unique cultural island of six million French-speaking people in an ocean of 270 million people working and living in English. Quebec is a distinct society.

Do we really need to destroy Canada to recognize and protect that reality? I say no. Do we really need to blow Canada apart to understand and address the deep alienation in the west where many people believe that our national institutions are dominated by a deaf and unfeeling eastern majority? Do we really need to destroy Canada to recognize and correct that concern? I say no. Do we really need to blow Canada apart to meet the deep felt concerns of people in Atlantic Canada?

Do we have to destroy Canada to solve the very real structural economic problems? I say no.

Do we really need to blow Canada apart to give the First Nations the power to participate directly in determining their own destiny within Canada? Rights they have been denied for too long? Again I say no.

Do we really need to blow Canada apart to address the vital need for greater harmonization of federal and provincial policies and cutting the wasteful duplication of cost?

Do we really need to blow Canada apart to make us understand Canada is already part of a much larger international economic union and so must have a strong domestic economic union to survive? Again I say no.

That separation would be relatively easy and without cost is not just a dangerous delusion. It is a real world impossibility."

I want to take a look at our early history, the Quebec Act. This was an act which was legislated in 1774. It was an act for making more effective provision for the government of the province of Quebec in North America. It was a British statute which received Royal Assent on June 22, 1774 and became effective May 1, 1775.

• (2100)

Religious freedom was guaranteed for the colony's Roman Catholic majority and a simplified test oath which omitted references to religion enabled them to enter public office conscientiously.

The act established French civil law and British criminal law, and provided for continued use of the seigniorial system. It effectively guaranteed the survival of the *ancien régime* society in North America.

Territorial expansion was a recognition of Montreal's role in the continental economy and the act returned to the Quebec economy its traditional links with the fisheries and interior fur trade.

Then in the spring of 1791, over 200 years ago, the House of Commons at Westminster passed an act. After being consented to by the House of Lords that act received the assent of King George III on June 10. From that time on, it would be known as the Constitution Act, 1791.

What the act did was it created two provinces, Lower and Upper Canada. It set their boundaries and laid down their powers, privileges and prerogatives. It also authorized the establishment of electoral ridings and the holding of elections to Parliament.

Upper Canada, what we call today Ontario, which is my province, lived its first democratic experiences in 1791. The creation of that province's parliamentary institutions followed the same chronology as Quebec's. Geography then has made us neighbours. Reality on day to day business make us partners.

This may come as a surprise to many of my constituents and people throughout the country, but there have been exchanges between the members of Ontario's Legislative Assembly and those of the Quebec National Assembly.

During the summer of 1991, members of the National Assembly and members from Queen's Park recalled the days of the travelling Parliament and of the first sittings in 1792. They visited the sights of the first sessions in Quebec City, in Montreal, in Kingston, Niagara-on-the-Lake and Toronto.

This, I think, is an excellent example of getting to know our country. The year 1867 brought us the British North America Act and Confederation. But it was three years earlier when the proposition was put forward, that the maritime provinces should form a union.

Prince Edward Island, the smallest, fearful that it could be swallowed up in the union insisted the meetings be held in Charlottetown. The Canadians, that is those people from Ontario and Quebec, their leaders heard about it and asked to be invited.

Discussions were held over the divisions of powers, an upper chamber and the judiciary. Then in 1867, the union was formed and the rest is history.

I suggest that we do not know each other as Canadians.

Sadly, my own example may reflect the experience of others in this Chamber or certainly some of my readers. Before I was elected in 1979, I travelled overseas to 12 countries. I visited the United States many times and travelléd through to the south to Florida and had yet to go to the province of Quebec before I was elected in 1979 here in my own country.

People of my generation had travel patterns that were north and south rather than an east and west pattern, south into the United States, including the vacation land of Florida.

Perhaps that, too, has been the pattern of residents in some of our other provinces, for example the Atlantic provinces. Perhaps they have travelled into the New England states rather than visiting the rest of Canada.

People in Ontario and Quebec travelled to Florida. Western Canadians travelled down to the states of Washington and California into Oregon and the Dakotas.

Sadly, we do not know our fellow Canadians and do not have an appreciation for the beautiful country that we live in.

I hope that will change. I hope that will change because of the debates that we are having and the turmoil that we are in at the present time regarding our Constitution, and the fearful thought that Quebec might separate.

I hope that the teachers in our schools will spark the imagination of students with our wonderful Canadian history that we have.

In conclusion, Cartier said of Confederation in 1867: "We sealed our pact without bloodshed and without exploitation of the weak by the strong. All it took was fairness, justice, and some compromises on both sides. I hope that if it must be amended it will not be to the narrow principles of fairness on which it was founded but rather to enlarge them even more".

I am grateful for the opportunity tonight to speak to this issue.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for York South—Weston, followed by the hon. member for St. Catharines, the hon. member for Edmonton—Strathcona and the hon. member for Madapédia—Matane,.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I wish I could say how grateful or pleased I am to be able to have the opportunity to speak to this matter this evening, but I have to ask myself whether this Parliament has its priorities straight.

We just came back from a rather extended leave. Most MPs had the opportunity to spend a lot of time in their constituencies, to speak to their constituents, and to ask them what was concerning them, what the important issues are. It is abundantly clear and obvious that as far as the Constitution goes Canadians just are not that concerned about the Constitution in terms of it being a priority.

Here we are having a special sitting of the House and I am probably competing with *Murphy Brown*, *Cheers* or the Olympics. This is not the only evening; we have had other evenings set aside to talk about the Constitution.

Here we are talking about the Constitution when 1.5 million Canadians are unemployed, when over 2 million Canadians are on welfare. We have set aside parliamentary time to talk about the Constitution when the most important issues in this country are jobs and the economy. Do not think the unemployed in this country are panting, listening to parliamentarians talking about the Constitution, asymmetrical federalism and a distinct society.

Do you think they are concerned about distinct societies when they do not even know where the next rent cheque is going to come from, when they do not know

where the next mortgage payment is going to come from? I think we should put this in perspective. This is not the burning issue in the streets of Toronto, Vancouver, Halifax, Edmonton, or Saskatoon. The burning issue is the economy. When is this Parliament going to get serious and relevant in terms of what is important to the people of Canada? We should be setting aside parliamentary time to talk about the ways and the ideas we have to put Canadians back to work, to put the country back to work, in order to ensure that we can continue to afford and support medicare, post-secondary education and to ensure a prosperous future for our children and grandchildren.

We should be debating the economy. We should be debating all weekend. This Chamber should be filled with MPs. The Senate should be sitting all weekend to find ways, to talk about ideas or methods to get people back to work. Here we are talking about asymmetric federalism, distinct societies, entrenchment of this, entrenchment of that. Yes, it is important, but Canadians are fed up to here. They are fed up listening to politicians, people in the media, intellectuals, law professors, the elite, the snobs.

• (2110)

When I speak, I speak of the views of my constituents as well. They want this Parliament to deal with the real issues that are of importance to Canadians. Last spring, like many other members of Parliament, I sent out a survey. There were 40 questions in the survey that I sent out in the riding of York South—Weston and question 36 was: Please rank in order of importance how you think the federal government's agenda should be prioritized. This was last spring, last May. I should point out that over 1,500 constituents took the time to respond to this particular survey. It is not a scientific survey—and hundreds of others wrote letters—but 1,500 people took the 15 or 20 or 30 minutes that it took to complete it.

What did they think were the issues of importance? I listed five issues: defence, Constitution, environment, economy and social programs. The number one issue, you are right, the economy. The second issue of concern was the environment; the third, social programs; the fourth, the Constitution and fifth, defence. That is what is of concern to the people of York South—Weston.

I asked them general questions. I asked people how they felt about the future. Remember, this is almost a year ago. A lot has happened in the year, the recession has deepened, more Canadians have become unemployed. The mood out there is not any better; if anything, it has become a little worse. I asked people: "How do you feel about your future?" Seven per cent felt very positive, 27 per cent felt positive, 48 per cent felt uncertain, 11 per cent felt negative and 7 per cent felt very negative. I asked: "How do you feel about the future of your children?" Thirty-three per cent either felt very positive or positive, 53 per cent felt uncertain or negative about the future of their children.

In this particular survey I asked 40 questions on the economy, defence and external affairs, the Constitution, the environment, immigration, police and security and several general questions. I would like to go over the questions on the Constitution because that is what we are supposed to be talking about here tonight, although I would rather talk about ways of employing people. I should point out before I go over the questions that on December 3, 1990, I had a citizens' forum in the riding of York South—Weston at the Nelson A. Boylen Collegiate Institute. It was the York South—Weston citizens' forum on the future of Canada.

Again, on Monday, April 29, 1991 I organized a town hall meeting at Archbishop Romero Secondary School, again to talk about the Constitution and other issues of concern to the people of York South—Weston.

Then, as I indicated, last spring I sent out the survey. Every constituent in the riding had the opportunity to express his or her point of view through this particular survey. I understand I just have a couple of minutes to go. I would like to quickly go over the questions and the results.

"Did you agree with the Meech Lake Accord?" Seventy per cent said no, 9 per cent yes. "Do you believe the Citizens' Forum on the Future of Canada chaired by Keith Spicer is an effective means of gauging public opinion?" Fifty-five per cent said no, 19 per cent said yes. "Do you support the entrenchment of aboriginal rights in the Constitution?" Sixty-seven per cent said yes, 18 per cent said no.

"In your opinion is the government taking sufficient steps to resolve the underlying causes of native discontent?" Ten per cent said yes, 75 per cent said no.

"Do you believe that the recognition of Canada as a multicultural nation should be entrenched in the Constitution?" Thirty-four per cent said yes, 56 per cent said no.

"Do you support the current policy of bilingualism in Canada?" Thirty-two per cent said yes, 61 per cent said no.

"Is Canada's policy of bilingualism an essential element in maintaining a Canadian identity that is distinct from that of the United States?" Thirty-two per cent said yes, 62 per cent said no.

"Do you believe a sovereign Quebec can survive and prosper economically, socially and politically if it were to separate from Canada?" Seventeen per cent said yes, 69 per cent said no.

Those were the results of the questions that were put in a survey that was sent to the residents of York South—Weston. That was last spring. If one were to resurvey I am sure the views would still be similar.

In closing, I urge the Parliament of Canada to set its priorities straight. Start talking about the economy and jobs and get relevant and come up with ideas, methods and ways of putting Canada back to work.

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, I welcome the opportunity to present my constituents' concerns with regard to the Constitution. Before that, I have to agree with the previous speaker, the hon. member for York South—Weston and also other people who have taken part in this debate.

In the city of St. Catharines the primary concern is the economic situation. When I asked people about the government's proposals, they would usually answer that they were more concerned about their jobs. The announcement by General Motors prior to Christmas that it was going to be closing 21 plants in North America, with a potential job loss to about 70,000 people, added another devastating impact to my community. Obviously, with General Motors being the major employer and this taking place, this is the matter that is most on peoples' minds.

But where my friend, the previous speaker, indicated that it is a concern and, obviously a primary concern, it cannot help but be linked with the constitutional problem. I think we all realize that without unity in our country and without a united and strong Canada there cannot be any great economic progress made.

We could not do without a quarter of our population if the province of Quebec left Confederation, and what would be left would have a great deal of difficulty as well. Therefore, we are faced with a constitutional problem along with our economic woes at the present time and we have to deal with both those matters.

The people of St. Catharines are interested in the constitutional debate. That was shown this past Monday evening when there was a debate at Brock University in St. Catharines between David Peterson, the former premier of the province of Ontario, and the hon. member for Lac-Saint-Jean of this particular body.

They managed to fill up the theatre at the university as well as an overflow into the gymnasium which watched the debate by closed circuit television. The questions that were asked indicated that people are concerned about the future of our country and they are concerned about the constitutional questions that are before us.

One of the points that Mr. Peterson made was interesting. He indicated that we have been almost cursed with this constitutional question for more than 125 years and that we may be cursed to continue on with this because of the diversity of our country. It is a point that has been made before and I think we have to realize that.

In talking to the people of St. Catharines, they wanted to get back to the basics. The Constitution comes from the people and the basic power rests with them. They are the ones who give us the opportunity to govern, to decide on taxation and the other matters that are in the realms of the federal, provincial and municipal governments. They are the ones who set the parameter of the Constitution. That is something that we have to remember and we have to pay attention to when the Constitution is formed. The people of St. Catharines want to see the country remain united. They are fiercely proud of our country.

• (2120)

It is interesting that there is this linkage between the economy and the constitutional question. In that regard, the people would like to see a true economic union across the country. The original intent of the British North America Act was to form a common market in British North America. Now, we have the proposal in front of us that indicates there will be a free flow of goods, services, people and capital across the country. This can only help our country. Artificial trade barriers have to be brought down. I know that the First Ministers have tried to do that and they must continue to do it.

The Senate is a matter that you will not get too much comment on. People realize that there are regional differences and that regional alienation must be dealt with. If the Senate is the correct way to deal with that regional alienation, that is what they would like to see happen.

I think they are concerned about the parliamentary system. Giving the Senate equal powers, an elected Senate, and possibly as was indicated an equal Senate, may cause some withering of our parliamentary system if we have another body that will compete with the House of Commons and possibly replicate it. That is something that we have to avoid.

It is interesting that one group of high school students in my riding, a combined class of Denis Morris High School and Holy Cross High School in St. Catharines, a grade nine enriched program, studied the 28 proposals and came up with a report that they presented to me before Christmas. It is called *Shared Citizenship and Diversity: A Student Response*. They dealt with three of the beginning proposals of their government. They looked at the Canadian identity and said: "We, the students of Lincoln County Catholic School Board in St. Catharines, believe that the most important qualities of a Canadian are equality and fair play. We believe that a Canadian is someone who is willing to include everyone, regardless of ethnic, cultural, religious or racial background, as friends and neighbours in the Canadian story".

They went on to look at the various proposals that have been made. Along with what people who have discussed this with me would say, they indicate that the Canadian Charter of Rights and Freedoms is something that should be reaffirmed and strengthened. They felt that the proposal to increase the override provision or the notwithstanding clause to 60 per cent of the House of Commons was good. They also felt that in addition to including it for 60 per cent for this body and for the provincial legislatures in order to invoke the notwithstanding clause that an elected Senate should deal with it as well, that there should be approval by 50 per cent of that body, and that the override provision should only last for three years.

I thought that was an interesting concept, coming from a group of grade nine high school students.

They also went on to deal with aboriginal matters. They felt that aboriginal peoples should also be considered as a founding people along with the people from Quebec, that we should treat them in the same manner and that we should remember that they were the founding peoples along with the French and the English as well.

One other matter that I would like to speak to in the time remaining to me is the concept in the proposals that training has to be given exclusively to the provinces. I believe in training. I know that the training programs that go on in my community are most important at this time. With the restructuring that is going on in the Canadian economy and the world economy, we have to realize that this is a matter that is going to go on, that people are going to retrain and retrain maybe three and four and five times during their lifetimes.

The people I talked to indicated that they want federal funds to remain in these training programs. They want a federal presence. It may be that the provinces would take the lead. We have difficulty now in the province of Ontario. We have labour training boards that have been established for the entire country and we also have them for the provinces. There is an agreement that has been reached between the federal government and the Ontario government.

The Ontario government is currently pulling out its training and skills development from about 10 different departments. That is going to take them time and there are going to be inevitable turf wars that go along with that. In the meantime, the Canada Employment Centres seem to be standing by, not being allowed to participate in this process that is going on.

If this is what is going to happen, I see dire consequences. Individual communities need to priorize their various training programs and they need to do it in a manner where they all get together. It seems to take the province a great deal of time in order to get into the training. The federal government is already there. Why are we going to lose that particular aspect? That is something that I definitely want to see worked on.

It may mean that there is a shared jurisdiction between the provincial and the federal government with perhaps provincial paramountcy. Training, and this has been told to me by many of the people who are involved in the training area, many of the people are my constituents, that they do not want to see training exclusively go to the province. That is something that I hope will be looked at and taken into consideration in the report of the special joint committee.

One other matter was property rights. The indication of the students was that property rights should be included. They felt that it would be taken into account by section 1 of the Charter of Rights and Freedoms, clearly demonstrated in a free and democratic society.

Having said that, I think that we can look forward to the coming time to the report of the joint committee. I look forward to participating in what I am sure will be a debate in this Chamber.

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, it is with great pride that I rise this evening and present here in the House of Commons a report from the citizens of Edmonton—Strathcona.

Over the past months many people in my riding have expressed to me their views on Canada's Constitution. I have spent hours reading surveys, responding to letters, talking to people on the street and in my office. I have listened to people who have attended my town hall meetings. I hold one town hall meeting a month as I have done for three years and we have been talking at these town hall meetings about the Constitution for at least a year, if not more.

My constituents have told me that it is time for a change. They told me that regions must be better represented in our Constitution. They told me our House of Commons and our Senate must be reformed. They told me that it is time that governments consult more with Canadians. They told me our Constitution must also protect our environment. They have told me that our Constitution should be modified to allow Canada to remain prosperous into the next century.

From the people who have contacted me I have learned many things. What has impressed me the most was that the people in my riding are proud to live in Edmonton, Alberta. They have told me that they will always be Canadians first and Albertans second.

The people of Edmonton—Strathcona are proud of their citizenship. They feel they want to keep the country that they love united and strong. But they have told me it is time for change.

In the summer of 1991 I mailed a questionnaire to every household in my riding, to 40,000 homes representing 80,000 constituents in Edmonton—Strathcona. The response was impressive. I received over 1,000 replies. I want to thank those who responded to my questionnaire. I also want to thank the many people who have written and telephoned me on this very issue.

In many different ways my constituents told me that they want equality for all people, all provinces and all regions in Canada. My constituents do not feel equal to Ontario or Quebec in our present system of representation by population. Eighty-three per cent of my constituents told me that it is important to them that we reform our Constitution so that regional representation can be increased.

• (2130)

Seventy-six per cent of my constituents said that they would like regional representation to be increased through Senate reform. I must emphasize that the strong demand for Senate reform in Edmonton—Strathcona cannot and must not be ignored.

However, interestingly enough, only 32 per cent of my constituents demanded that all provinces be equally represented in the Senate. This means that while the people in my riding demand and expect Senate reform, they do not demand and expect a Triple-E Senate.

Sixty-one per cent of my constituents feel that to increase the regional representation in our Constitution, we must also reform the House of Commons. They want a House of Commons which is less partisan so that members will be free to speak on behalf of the regions

that they represent. A little bit later on, I will touch more on House of Commons reform.

I have also asked my constituents how they feel about giving one province the right to a constitutional veto that is not shared by other provinces. Not surprisingly, 76 per cent of my constituents say no to this idea. Once again, my constituents have told me that they want all provinces to be equal partners in a strong and united Canada.

I have received a strong message that my constituents expect to play a more involved role in amending our Constitution than they have in the past. I have asked my constituents their opinion on constituent assemblies, national referenda and public hearings as methods to involve citizens in constitutional reform.

My constituents have made it clear to me that they would like to have the right to be involved in national referenda or constituent assemblies if the government decides to amend the Constitution. I very much support the idea of a national referendum.

However, I would like to note that the most popular response was that people wished to be involved in constitutional hearings on proposed constitutional amendments. There is 66 per cent of my riding that would like to have a constituent assembly to propose or to review constitutional amendments.

Sixty-three per cent of my riding would like a national referendum to approve constitutional amendments. Yet, 82 per cent feel that it is very important to have constitutional hearings on proposed constitutional amendments.

I applaud the government for consulting Canadians as extensively as it has through the Beaudoin-Edwards commission, the Spicer commission and the recent Dobbie commission.

Constitutional hearings will ensure that in future, Canadians will have the right to participate in amending our Constitution as they did with these other committees.

I have also asked my constituents how they feel about involving aboriginal people in the constitutional process. Seventy-two per cent felt it was very important for aboriginal people to be involved in the process. In fact, quite consistent with my constituents' demands for equality, I was reprimanded by one constituent who told me that this was indeed a silly question as everyone in Canada has the right and should be involved in the constitutional process.

On the issue of our Constitution reflecting Canada's multicultural and bilingual nature, 49 per cent of my constituents feel that this is important, that our Constitution reflect multiculturalism as a strong principle of Canadian society.

On the subject of giving the provinces control over language, only 22 per cent favoured giving the provinces more control and 46 per cent were strongly opposed to this idea.

My constituents also told me that they considered environmental protection to be a critical issue. Eighty-six per cent felt that each level of government should have the power it needs to protect the environment. Fifty-eight per cent of my constituents felt it was important that they had an environmental charter that would acknowledge the rights of Canadians to environmental protection and that this would allow them to go to court when these rights were not protected.

Edmonton—Strathcona is divided on the issue of our Constitution reflecting the unique cultural characteristics of Quebec. Forty-three per cent felt that it is important that the Constitution recognize Quebec as a distinct society and 39 per cent were opposed to this idea.

Many of my constituents have said that if the government does acknowledge Quebec as a distinct society, they would like to be informed on how this would be defined. My constituents would like to know what distinct society is, what it means and if it provides Quebec with extra rights.

My constituents told me that they want our Constitution to be able to enhance our ability to remain competitive in world markets and to direct national economic policies.

Seventy-five per cent feel it is very important that the federal government should provide the direction for our country on the major economic policies as opposed to this being a provincial responsibility. Seventy-seven per cent feel that it is important that the government set national standards so all Canadians can work together for excellence.

In conclusion, the people of Edmonton—Strathcona are asking for change. They want a new Constitution that will reflect the needs of Canadians in the 1990s. However, they did not tell me that our government should throw out the baby with the bath water. Most of my constituents want a Constitution that is basically like the one we have today, yet increasing the influence and powers of the regions.

The constituents of Edmonton—Strathcona believe in a strong, united and prosperous Canada. I am very grateful for having this opportunity to share with you the views expressed by my constituents and I hope that all members will carefully consider these views.

[*Translation*]

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, I have the privilege in this House to represent the wonderful riding of Matapédia—Matane, where people worked and still work very hard to build a heritage with which they can identify for themselves and their children.

I urge those who have never visited this region to go and see it. They will be surprised when they get there by its rich and diverse natural and man-made environment, with a 120-kilometre shoreline along the majestic St. Lawrence and extending 150 kilometres into the Matapedia Valley. Human activities have developed sometimes along opposite lines, sometimes along complementary ones.

What a fisherman needs for his living is not the same as what a farmer or a forester needs. Nevertheless, the feeling of belonging to their region arises from this diversity. What would seem at first glance to disunite them in fact brings them together, since they complement one another and raise their common standard of living. What is true for a region like mine is also true for a country like Canada.

We all agree, I believe, that the unity and prosperity of Canada are both essential for its survival. One does not go without the other. Our prosperity and our prestige throughout the world come from Canada's unity. In today's world, political stability is essential to a country's economic health; it is far too precious to be simply dismissed out of hand.

Yet this is what we are preparing to do if we let Canada disappear. For many, the last recession hurt a lot and continues to hurt. At home, in my own riding, we experienced closings that we are not about to forget, whether it was Donohue-Matane, Radio-Canada or VIA Rail. There were very few ridings, in Canada and in Quebec, that were able to escape the negative effects of that recession.

That being said, it is pretty easy to see that the scenarios on the break-up of our country, even the most reassuring ones, anticipate a serious deterioration of that economic context. Common sense tells us that the break-up of a country, combined with an already fragile economy, will result in a dramatic drop of our standard of living, which is presently the second highest in the world, just after Japan. Many obstacles looming up on the horizon threaten our quality of life, and it is not by dividing the country that we will overcome those.

• (2140)

One of the first such obstacles is our accumulated debt of more than $400 billion; that amount represents $15,000 for each man, woman and child in this country, and it does not include provincial, municipal and personal debts. In spite of that, thanks to our sound budget policies, we enjoy a top triple A credit rating. That rating guarantees the solvency of each province, as well as each public and commercial business in the country.

What happens when that credit rating goes down? The lenders simply demand higher interest rates. Given our present debt, an increase of 1 per cent translates into costs of over $2,500 million, which means less money for services, regional development and social programs.

Competition is another obstacle. We cannot escape the constraints of a world economy. We need to trade with other countries. Canada now exports 25 per cent of its production and, in the last five years, its share of the international trade has dropped from 5 to 4 per cent, which is one of the biggest drops among the Group of Seven members. In that context, we must, in my opinion, remain strong and united to make up the lost ground, rather than divide our country.

Despite all of this, we are told that once Canada has broken up, it would be easy for the two smaller and less

viable countries that would result to negotiate the economic structures that made our prosperity in the past. Some people say that could be achieved in a spirit of generosity and serenity and that it would be easy to convince other provinces, the United States and other countries to kindly take our new needs into account. That is what they would have us believe. Quite frankly, would it be easier for an independent Quebec of six million to negotiate a new GATT agreement, for example? Would Quebec or a new fragmented Canada be in a better position to deal with giants like the United States or the European Community? The answer is quite obvious.

We should understand that those simplistic arguments and that reassuring nonsense are part of that senseless logic that often destroys nations. At the risk of not sounding too original, let me say that if we fail to learn from the past, we will always repeat the same mistakes. And what can we learn from history? We learn that the break-up of a country is both costly and painful, that it may have serious consequences in the short term and in the longer run and that it can leave deep economic and social scars.

We find evidence of that everywhere around us. You just have to brush up on your history and look at what is happening in the world. You will soon realize that in the hopeless number of countries falling apart, the people are on the verge of losing peace, stability and prosperity, if that is not already the case.

If our country breaks up, what will happen to our education system with less money? What will happen to our labour training program, our health program, and our currency? The uncertainty created by this whole debate is already hurting us a lot. The fact that we have to compete with other countries requires that we settle, as soon as possible, this issue which has been lingering for more than 30 years so that we can proceed with what all Canadians expect from us, that is to create jobs, to create wealth and to guarantee our social programs.

Mr. Taylor, chairman of the board at the Royal Bank, said on January 23, and I quote: "I have to travel all over the world to meet with business people who have billions of dollars to invest and, whether they are from London, Tokyo or Stockholm, they all ask me what is happening in Canada and if our country is safe enough for them to come and invest their clients' savings. I reassure them and I keep faith that we stay together as a country". Closer to home, our investors postpone their decision to invest, which delays the economic recovery, and that is nothing compared to the permanent costs that await us if our country were to break up.

Some people say that an independent Quebec could share the Canadian dollar without having any official influence on decisions made by the Bank of Canada.

It would mean then that Quebec, as a minor partner in this monetary union, would have much less of a say than it does now in the development of monetary policies. Many factors affect currency, and no self-respecting country can tolerate for any length of time that someone else be in charge of such major policies. No sovereign nation can and will tolerate this form of neocolonialism for very long. That is basic common sense. As for the European monetary union, I can assure you it will pull off this amazing feat when the necessary elements, which are already present in Canada, will exist in Europe, namely a single central bank as well as integrated tax systems and national financial policies.

Why then would we relinquish what the Europeans want so much to get and as soon as possible? Our Constitution is 125 years old. A constitution is a bit like a mirror. When you look at it, or read it, you must be able to recognize yourself in it and be proud of what you see. As our mirror, the Canadian Constitution needs to be updated so as to be a reflection of the Canadian people as they are today, for the future generations to see.

Granted, this is no small task, but none is too big for men and women who like to take up a challenge and who genuinely want to keep this nation united, a nation which is the envy of so many others around the world.

Some people will say that the separation of Quebecers from the rest of Canada is a response to the challenges we face, but is it really necessary to break up Canada in order to satisfy Quebec's historical aspirations, the aspirations of the west, the Atlantic provinces and aboriginal peoples? My answer is no. Do we really have to break-up Canada to further harmonize federal and provincial policies and avoid wasteful duplication? The answer is, again, no. To prevent this break up, we must be guided by reason and a sense of equity. As Cartier said in 1867, to seal the federal pact did not require bloodshed or domination by the strong over the weak. It took equity, justice and a few mutual concessions.

[*English*]

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, from my office I listened to the words said in this House on this subject by the hon. member for York South—Weston. My constituents feel the same as his.

Really they cannot understand why we are spending this time in the House on the Constitution when the number one issue facing the country is the state and crisis of our economy.

I am sure if you canvassed most of the 295 members in this House, they are probably getting the same feedback from their ridings. Let us address the economy.

I also believe that as leaders in this country we have a duty to address the constitutional issues because if we do not preserve this country, Canada as we know it today, then debates on the economy will fall on deaf ears.

Like the other members who spoke over these three evenings, I too did an extensive survey sending through my householder a questionnaire to every household in the riding of Parkdale—High Park.

The results that came back were very revealing. They gave me a reading of how my constituents think on amendments to the Constitution.

To sum it all up, I can safely say that my constituents feel that we as Canadians want a united Canada with a strong central government. That is the bottom line.

I was very pleased that over 80 per cent of my constituents felt that the aboriginal people have an inherent right to self-government.

I was also pleased from the survey to see that there is a change in attitude from Meech Lake days to the present. During the Meech Lake debate, I would say the majority of my constituents were against any distinct society clause in the Constitution.

Now over 60 per cent are accepting the distinct society clause as long as it does not give Quebec additional powers over other provinces. The way it is being interpreted now, most of my constituents feel that Quebec should be designated as a distinct society. They have no problems with that.

• (2150)

I would like to take the remainder of the time to present in this House for historical record the submissions made to the Constitution committee by the Canadian Polish Congress. The Canadian Polish Congress represents 240 different organizations across Canada. They represent the Canadians of Polish origin residing coast to coast in this country. The congress represents the thoughts and aspirations of the majority of the Canadian Polish community. The well-being, the future and the unity of Canada are matters of foremost importance to the congress. The congress has always taken a stand on issues of importance to Canada including unity, constitutional reform, multiculturalism, tolerance, co-operation and understanding among all citizens of our country regardless of their background, race or religion.

I am quoting from the introduction to their brief. The Canadian Polish Congress—

The Acting Speaker (Mr. Paproski): The hon. member knows he can table the brief after along with his notes.

Mr. Flis: Mr. Speaker, thank you for that advice. I shall do that because these are two very important documents.

I was very impressed with the way the congress presented it in a non-partisan fashion. They came before Christmas to Ottawa. They met with the deputy leader of the Conservative Party. They presented the brief to the Conservative Party with explanations. Then they met with the Leader of the Official Opposition and they went to meet with the Leader of the New Democratic Party and made the same presentation there. It was presented in a truly Canadian fashion in a non-partisan way.

To go through all of it would take me about two hours. I will just quote a few things that might be of interest to the members of this House and to Canadians at large. I would like to share with you what they said under the section: Freedoms, Rights and Responsibilities of Canadians. "We must realize that we cannot emphasize our rights without addressing the corresponding responsibilities. Even a cursory look at our society reveals the fact that increasingly Canadians are asking not what they can do for their country, but rather what their country can do

for them. The prevalent attitude seems to be 'to get more for less' and 'to look after No. 1'.

Trade unions demand more pay for fewer hours of work claiming that their members have the right to earn such inflated wages. In addition job security appears to be a well entrenched right. Artists create obscene art in the name of the right of self-expression and artistic freedom. Our insatiable propensity for instant gratification leads to rampant consumerism with its egotistical implications.

In the name of freedom of speech, untrue and falsified history is circulated with sad and unpleasant results.

In view of these, we the Canadian Polish Congress believe that the time has come to address the other side of the individual rights and freedom equation, namely the individual duties and responsibilities."

Mr. Speaker, you have heard me speak on that issue in this House many times. I am pleased that an organization the size of the Canadian Polish Congress is backing many members who believe that this should be entrenched in the Constitution.

The other section which I would like to share, and again it affects the members directly, is the section under: Response of Institutions for a Modern Canada. The brief says they "agree with the proposals that the government has made under part II, proposal 8, the House of Commons". They want to share this comment with us. "It appears that at the present time the deciding factor in the law making is the party vote and not the individual vote of the member who is representing the will and aspirations of his constituents. It is proper to give individual members as much of free votes as possible so that they could reflect the aspirations of their electors more closely". This is something we have been talking about, but we are not implementing.

Another proposal is: "We would also suggest that the decorum of the discussions in the House be improved, especially during the Question Period. Also the participation of members at other times in the House should be improved". I see, Mr. Speaker, you nodding with that proposal also.

The third proposal to make under that section is that representation in the House of Commons should reflect more closely the actual distribution of the population in the provinces. The present disparities between urban and rural ridings are too great, they say. The urban vote is consequently less valuable than that of the rural elector. Also some form of proportional representation should be considered and they suggest here the French model.

I was very pleased that they made these recommendations. On the title page of their presentation they quote from Thomas Carlyle who said: "Men's hearts ought not be set against one another, but set with one another".

I think we can maybe bring that up to date to 1992 and say that Canadians' hearts ought not to be set against one another, but set with one another. Canadian minds ought not be set against one another but set with one another. The hon. minister has been given this heavy responsibility to monitor the constitutional debates across this country. If everyone remembers that saying and helps that hon. minister, I am sure that we will come up with a document that all Canadians will be proud of.

I want to take this opportunity to say the government could not have chosen a better minister to try to put this constitutional package together.

The Acting Speaker (Mr. Paproski): The hon. member will file that with the Clerk. The hon. member for Carleton—Charlotte.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, it is indeed an honour to take part in this very special debate this evening.

I have just returned within the hour from my home province of New Brunswick. Time is very short and as you have told me, I only have about four minutes. Hopefully we will continue this special debate or this process next week and I will have time to finish my remarks. In the short time that I do have, I want to point out a number of things that have happened in my riding in the past number of months.

It really began on September 29, 1991 when the Prime Minister unveiled the government's proposals for a renewed Confederation. I took those 28 proposals, which were quite complicated, quite long and involved and boiled them down, if you will, to a citizen's guide to the proposals. It was a four pager, back to back. I mailed that to all of my constituents in the hope that they would read it and after reading it would respond with the mail-in on that citizen's guide. Many of my constituents did that.

Aside from doing that, we also set in process a series of meetings throughout my riding. As you know, my riding is a very large rural riding, in fact the largest riding in maritime Canada. We had a series of 20 constitutional meetings throughout my riding over the course of those few months. I also had 20 speaking engagements at service clubs, schools and other interested organizations.

It was a very healthy process. It was a learning process not only for my constituents but for myself. I had a chance to hear them and get a sense of what they wanted from this country of ours.

To sum up, I am going to have to quote the Mexican ambassador to Canada. He says it best: "Canada is a success looking for a problem". What he means by that is almost what my constituents were telling me. We have a great country here, the second largest country in the world in terms of geography, the seventh largest economy in the world, a country that has been recognized by the United Nations as having the second best standard of living across the social scale of any country in the world, only exceeded by Japan. Those are the types of things my constituents are telling me. They are also telling me: "Let's not throw it away". Indeed we have problems, but we are a sophisticated country. We are an educated country. We are a thoughtful country, a reflective country, and we have it within our grasp to make it better. That is what this process is all about.

I know you are signalling me, Mr. Speaker. I guess I have less than 60 seconds left. Hopefully we can continue at least my portion of the debate next week. I thank you for your courtesy, for allowing me to get on at this late date, and hopefully we will continue this next week.

The Acting Speaker (Mr. Paproski): It being ten o'clock p.m., pursuant to the order made on Wednesday, February 5, 1992, this House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 10.00 p.m.

HOUSE OF COMMONS

Friday, February 14, 1992

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—UNEMPLOYMENT

Mr. John Nunziata (York South—Weston) moved:

That this House condemn the government for its refusal to take action to alleviate the intolerably high levels of unemployment in Canada.

He said: Madam Speaker, this ought to be a happy day for Canadians. It is Valentine's Day. For millions of Canadians this day is like every other day has been over the last number of months and years.

Canada is facing its worst economic crisis since the thirties. There are 1.5 million Canadians unemployed and 2.2 million Canadians on welfare. While Canadians are suffering the anguish, the hardship, this government has taken a do-nothing, cross your fingers approach to dealing with the serious economic crisis that is facing Canadians.

At a time when Canadians are suffering this government has other priorities. Here we are on Valentine's Day, it is a Friday, debating the number one issue of concern to Canadians. This House has been back now for two weeks, and yet this House has not given priority to the issue of unemployment in the Canadian economy.

This House ought to be sitting today, tomorrow, Sunday, and every day and every evening to come up with ways to devise methods to put Canada back to work.

The Liberal Party put forward its plan for economic recovery, a modest plan. We recognize that there is a need to kick-start the economy, to put people back to work, to start creating jobs. So we presented a plan. Yet the government has refused to combat the high level of unemployment in Canada. The government has taken a do-nothing approach.

I am pleased to see the minister of employment in the House today. I look forward to hearing his remarks.

• (1010)

The biggest problem in Canada today is the Conservative government in Ottawa and the Bob White government at Queen's Park. Together these two governments—the NDP government at Queen's Park and the Conservative government in Ottawa—have destroyed the Canadian economy. They have shattered confidence. Time and time again Bob Rae and our Prime Minister say: "Well, it is a question of confidence; Canadians don't have confidence". Is it any wonder that Canadians do not have confidence when they have the likes of our Prime Minister and a labour led government at Queen's Park? The government at Queen's Park has totally turned off business and has created a climate or an atmosphere where business is afraid to expand, where business is afraid to invest in order to create the much needed jobs.

Is it any wonder that Canadians lack confidence in the future? That is a sad story.

The unemployment statistics were released last week. The rate was up again, 10.4 per cent. What does that mean in human terms? All too often we talk about percentages and we talk about rates. But let us try to think for a moment what that actually means to average people.

In the province of Ontario where I come from 504,000 people are unemployed; 504,000 people have to wait for their UI cheques in order to make their rental payments or make their mortgage payments. In the province of

Quebec, 399,000 people. In the province of New Brunswick where the minister of employment comes from 42,000 are unemployed. These are those who are officially unemployed. On top of that, of course, we have thousands upon thousands of others who have simply given up because of the difficulty in seeking employment. Nearly 72,000 people in the province of New Brunswick are on welfare. That is a shame. It is a shame that the minister of employment has not done anything to help his own constituents in the province of New Brunswick.

A total of 1,429,000 Canadians are unemployed, out of work. Here we sat in the House of Commons with recession-proof jobs over the last number of years. Elected people, senators and public officials have not really had to worry about where the next paycheque was coming from.

I really wonder whether the minister of employment understands what it feels like not to know where the next cheque is coming from, whether he understands the uncertainty even in the minds of Canadians who are working in terms of whether there will be a job for them. Perhaps the minister can contemplate the thousands of Canadians today who instead of bringing flowers to their spouses, instead of bringing flowers home, will be bringing pink slips home, lay-off notices, termination notices. Can the minister of employment try to understand what it means to be unemployed and without work?

Canadians want to work. Those who are unemployed and those who are on welfare want the opportunity to be able to earn a living and to help other Canadians. Yet this minister and his government are doing absolutely nothing in order to kick-start the economy.

Perhaps the minister of employment and his government have yet to grasp the magnitude of the problem. They seem to be preoccupied with the Constitution. Yes, it is an important issue, but it is not the most important issue in the minds of Canadians. The most important issue in the economy is jobs.

I do not think that the minister of employment from New Brunswick understands the magnitude of the problem. I am sure his staff has briefed him on the violence that is erupting at employment centres across the country. It is that desperate.

Yesterday in Montreal violence erupted on the welfare lines. Yet this minister sits back and tells the House that he has a way of getting people back to work. He is going to train people. He is going to ensure there is long-term prosperity. Little comfort that is to the millions of people who are either unemployed or on welfare.

The minister has stated time and time again that his government is committed to retraining. He said so in this House on a great number of occasions. The Prime Minister has said that his government is committed to retraining. We know that it not quite accurate.

An internal memo was released a few days ago. It was sent from directors general directly responsible to the minister of employment to all area managers across the country in Employment Canada, asking them to prepare contingency plans for three scenarios. The first was a 20 per cent reduction of regular funds for training. The second was a 35 per cent reduction of regular funds. The third was a 50 per cent reduction of regular funds. In effect it was slashing community based training right across the country.

A number of organizations in the riding of York South—Weston rely on this type of funding and will not be able to survive with these cuts.

What is at issue is the credibility of the minister. I know he prides himself on having some integrity. He stands and says that the government is committed to training and retraining. He says that in public, yet when he gets back to his comfortable office with his big desk, his comfortable chairs and his comfortable couch, with his recession-proof job, he tells his managers and directors to send out the word: "We are going to cut because I am responding to directions from my boss, the Prime Minister".

Shame on the minister of unemployment. He is not the minister of employment. He is the minister of unemployment. That is his responsibility. He has to assume and his government has to assume the responsibility. Because of its economic policies this country is facing the worst economic crisis since the thirties. Its high interest rate-high dollar policy has destroyed the manufacturing base in Ontario. It has destroyed hundreds of thousand of permanent jobs.

The memo goes out; they are cutting $100 million. The area manager in Toronto where I come from, Mr. Ron Crockford, says in a memorandum of January 10, 1992: "We will be forced to terminate projects due to budgetary reductions as opposed to performance related reasons if we reduce further".

That is the situation. Who are the people who will suffer? Will it be his friends in high places, his buddies on Bay Street, the guys he sips cocktails with? No. These

cuts will affect those people most in need of training: immigrants, women, youth, disabled people, older workers, linguistic and racial minorities. These are the very sectors which have been designated equity groups by the recently formed Canadian Labour Force Development Board. These are the people who need the government's help, and the government is turning its back. That minister is turning his back on the people most in need, and a lot of those people are in his own province. He is turning his back on his own people.

• (1020)

I look forward to the minister standing in this House to tell his constituents and other Canadians what he intends to do to alleviate the suffering. I would like to know what advice the minister gives. Presumably he finds time to revisit his riding on occasion, to listen to the unemployed fishermen, to listen to the unemployed people in his riding. What does he say to people when they come into his office and say: "Mr. Valcourt, I am unemployed. I am desperate. I need money. I need work. I have to pay the rent. I have to make the mortgage payment. I have to buy food for my children". What does the minister say to those people? What does he say? What advice does he give to those people who are desperate for help from this government?

What he says to them is: "Deficit reduction is important. We have to reduce the deficit. We have to control the debt". This government has had eight years to deal with the national debt, and what has it done? It has doubled the national debt. It has had eight years to deal with the deficit, and what has it done? It has increased the deficit. It has implemented the goods and services tax that has made the situation even worse.

There is one way to bring back confidence in Canada and that is for this government to resign. It has lost the moral authority to govern. It has no support. It has the legal right, yes. The Prime Minister will hang on by his fingernails; he will hang on to power to the last bitter moment. He has the legal authority to carry on, but he has absolutely no moral authority. There is no support for this government. It is at 12 per cent or 13 per cent in public opinion. Canadians want the opportunity.

If they want confidence in this country, call an election. If the minister of unemployment is so sure of his economic plan, if he is so sure that he has the answer, if he is so confident that he will put people back to work, let him have the guts. Let the Prime Minister have the guts to issue the writ and let us go to the people of Canada. Let us present our platform and let us see who the people of Canada will put their trust in.

They will put their trust in the Liberal Party, in Jean Chrétien and the Liberal Party, because they know our party has stood and will continually stand for the disadvantaged in our society. They know we will not allow the suffering that is taking place today. If the minister wants to instil a bit of confidence, let him have the courage to call an election.

Maybe that is what the Prime Minister is thinking. He is on his farewell tour. As a matter of fact, the T-shirts are at the printers. A number of communities will be listed on the back of these T-shirts. It is the Brian Mulroney farewell tour.

Madam Deputy Speaker: I have listened to the hon. gentleman and I think I have been patient. I have not interrupted him when he referred to other members by name, but this is maybe one too many. I would appreciate the hon. member following the rules of this House.

Mr. Nunziata: There will be a T-shirt that reads the Prime Minister's farewell tour, his Alice in Wonderland tour. It started in Barrie. We saw the picture in the paper today. That young student had it right. He gave the Prime Minister a straight arm. The picture is in every newspaper in the country. That is what Canadians think of the Prime Minister of Canada and what he has done to this country. He can do everything he wants to do in terms of public relations, but the farewell tour is on, my friends. Whether it is next spring or next fall, your days are numbered.

If you have the courage and if you are so certain of what you are doing, then I say: "Go to the people".

The motion reads:

> That this House condemn the government for its refusal to take action to alleviate the intolerably high levels of unemployment in Canada.

Members on the government side are at this point seriously contemplating their future. With every passing day, we pick up the paper and read about another Tory

MP who has decided not to run again. We know why they are deciding not to run again because the writing is on the wall.

I encourage members on the government side to stand up for their constituents, to stand up for what they believe in instead of propping up a government that has absolutely no moral authority to govern this country, when there is so much suffering, when the unemployment rate is where it is at.

I call on the government to do the right and honourable thing. I call on the minister to do the right thing, and I ask him, in future, to tell it as it is because these leaked memos really tell it as it is. I would like to hear the minister's explanation.

In closing, let me say that the Liberal Party has as its policy a full employment strategy. As the Official Opposition, the government in waiting, we will not rest until every Canadian who wants to work has the opportunity to work.

Our strategy is full employment. The strategy of minister of unemployment is full unemployment. Throughout the day today, Liberal members will be criticizing the government and explaining the Liberal Party economic recovery program to put this country back to work.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I want to pick up on a constructive idea that my colleague put forward in the opening part of his remarks.

He put forward an idea which I think most Canadians would like to see implemented. His idea was a challenge to the government, as I understood it, to create a situation in this House where rather than have the short, six-hour debate on probably the most important issue concerning the country today, namely putting people back to work, we debate this issue right through the weekend.

I ask my colleague, he being an experienced member of this House being here for many years, how he would orchestrate that or how he could engineer it with the minister. Could he elaborate a little bit on that? I think it is a worth-while idea that Canadians would like to see implemented.

Mr. Nunziata: Mr. Speaker, I believe with all the certainty that I can command, the people of Canada want parliamentarians to show some leadership.

They want to see parliamentarians and government understand what is relevant out there, what is happening at the grass roots level, what is happening at the street level. This is not the real world in this Chamber. This is not the Ritz.

It is a nice building, and we are very comfortable in it but we are too far removed from reality, especially when the government has decided, for example, that we should have, over the course of a number of evenings, special sittings of the House to debate the constitutional question. It is a very important question, the future of Canada, but people across the country do not think it ought to be the priority. Yet the government decided to set aside special time.

We are mired in a recession, yet no special time has been set aside by this government to deal with the question of unemployment. It was left up to us, the Liberal opposition, to take the first opportunity. We were allotted this day as an Opposition Day and we set the agenda according to what we believed to be the most important issue facing Canadians.

• (1030)

If the minister is ready, my colleagues and I are prepared to sit here all weekend long to talk about ideas, to talk about a recovery plan. We are prepared to debate, for example, the elements of the Liberal Party one-year emergency plan, whether it is the use of RRSPs to finance first- time homes, whether it is to debate the infrastructure program to accelerate capital projects in municipalities right across the country not only to improve the infrastructure but in order to create jobs. We are prepared to talk about training. We are prepared to talk about why Canada is still one of the lowest per capita investors in training among OECD countries.

I would like to hear from the minister when he has the opportunity. If he is really concerned about unemployment in Canada, I ask him to take me up on my challenge to him, the Liberal Party challenge, to sit here all weekend long to debate unemployment and the economy.

Mr. Arnold Malone (Crowfoot): Madam Speaker, I just want to ask the hon. member for York South—Weston how he squares the fact that when he makes the statement that it is the Liberal Party that is in favour of full employment and the Progressive Conservatives who are in favour of unemployment with the reality that during those years leading up to 1984 the average job creation was short term, temporary and 80 per cent of all jobs created by the Liberals were short-term jobs and

more than 80 per cent of all job creation under the present administration are permanent, full-time jobs. How does he square statistical fact with his assertion that the Liberals believe in full employment when all they created were part-time jobs?

Mr. Nunziata: This is the kind of nonsense that we hear from Conservative members. They reach back to 1984 or to 1948 or to 1867. We are talking about today's reality.

Yes, governments past have made mistakes. I was not part of that government. I was a member of the party, but I was not part of the government. I am not taking John Diefenbaker to task for things that he did 20 or 30 years ago. We have a problem today. People are unemployed. They want to work. They want to get off the unemployment rolls. They are tired of relying on pogey.

Does the member know what pogey means? Does he know what it means to be unemployed? He is one of the members from Alberta. I have not seen him stand up in this House and go to bat for the disadvantaged in Alberta. Is it any wonder that the Tories in Alberta will be wiped out? Perhaps the member does not care any more because he knows he will not be returned to this House.

We are talking about today. This government has had eight years to get the country in order. What it has done is totally destroy it. It has dismantled it. We had three, four or five years of good solid growth in this country. What did it do? It frittered the opportunity away and has decimated a lot of good, well paying jobs in the country.

It behoves the hon. member from Alberta to stand up and reach back to the past to talk about job creation. A job is a job. People want to work. That is what they want to do. They want to put Canada back to work and that member is doing absolutely nothing to further that strategy of full employment.

I have not seen the minister of employment stand up and say: "It is the goal of this government to put every Canadian back to work". I have never, ever seen that member stand up and say that that is the policy of the Government of Canada.

Mr. Malone: Madam Speaker, I just want the record to show that the hon. member, when he asserts that we reach back 20 or 30 years, he is wrong. We are talking about eight years ago. The hon. member for York South—Weston is not willing to stand on his party's record. His party's record was a dismal record. He is not willing to stand on the fact that the unemployment rate was 4 per cent higher then than it is today. He is not willing to stand on the fact that they created more part-time jobs by about 160 per cent differential between then and today, and he is not willing to stand on the fact that his party at that time put less money into retraining than we do today.

I think it is quite unfortunate that Canadians have to believe his promise about a new tomorrow when he will not even stand on a record of a government just eight years ago.

Mr. Nunziata: The member persists. Forty thousand Canadians lost their jobs in January; 40,000 full-time jobs were lost in January. The bankruptcy rate is the highest ever. I do not know whether the hon. member has his head in the sand or he is just totally naive. We are in the worst—read my lips—economic crisis since the thirties. That is how bad it is out there.

Stores are being shut down, businesses are cutting back. Every day that you turn on the television or read the newspapers, you see that people are losing their jobs. Sears Canada has closed down its shop in Halifax. Eighteen hundred people are losing their jobs. General Motors is cutting back. Everyone is cutting back right across the country.

We are mired in this terrible recession and this member wants to go back to 1984. They have had the opportunity for eight solid years to do something about it. When we had a government 8 years ago, 10 years ago, 15 years ago, if we were so bad then surely they could have remedied the situation in eight years. Are they trying to tell us now that eight years was not enough that they did not have enough time to put the economic house in order, if it was so bad? Come on, that simply does not wash. That is nonsense. That is not logical.

[*Translation*]

Madam Deputy Speaker: The period for questions and comments has now expired. Resuming debate, with the Minister of Employment and Immigration.

Supply

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I would like to start by saying that I am very tempted to respond to the comments made by the hon. member for York South—Weston in his speech.

[*English*]

I thought we were here this morning to listen to the Liberal Party of Canada and its members in this House telling us how deplorable the employment situation is in Canada, and then they would tell us their solutions and offer us ways to solve the problem.

That member of the Liberal Party spoke for 20 minutes and, I say with all due respect to my learned friend, I listened attentively for 20 minutes. His colleague said the one good constructive idea he heard was that we should sit all weekend and talk about it. This government will not only talk about it, it will keep on acting on solving it.

I have listened to the doom and gloom scenario of the hon. member. I think we have to put our current economic woes in perspective. I know it is of little comfort to Pitou Dumont or Maurice Côté in my own riding who may be looking for better economic opportunities. It is of little comfort to any unemployed Canadian or social welfare recipient to know that economies around the world are in the midst of difficulties, but I think they have to know about it.

Economies around the world are in the midst of transition under the pressures of economic globalization, recession, inflation and political restructuring. A full one-third of the OECD countries are faced with unemployment rates of 10 per cent or more. We are reminded by the OECD that there are, among its member countries, 28 million jobless people.

• (1040)

Yes, our unemployment rate is 10.4 per cent and, yes, we have over one million Canadians out of work, but recovery, although sluggish, is under way both here at home and in the United States. The OECD knows better than the Liberal Party and it predicts that our employment growth rate will be 1.2 per cent in 1992.

What does that 1.2 per cent mean to the Canadians listening to this? It is 150,000 new jobs this year. That is a rate twice as high as the OECD average of 0.6 per cent. Even the United States is expecting only to see unemployment grow by 1 per cent.

Further, our growth in GDP is estimated to be the highest of all the OECD countries in both 1992 and 1993. Our economic situation is difficult, but our international standing as a country is a testament to the sound economic management of this government.

Why is it that for all these other industrialized countries in the world that have these problems Canada, though not to our liking and doing as well as we hoped we would, is to do better than all of these other countries in 1992 and 1993.

To the average, reasonable Canadian, not the partisan yappers and not the people who do not care, the people who are only interested in rising and stirring up the crowd, the kind of speech we heard here a few minutes ago does not even reasonably look at what the problem is.

They talk about their solutions. How can you stand up and ask the taxpayers all across Canada to pay more taxes? How can you ask Canadians from coast to coast to sustain more taxes? That is what they are calling for. If they are not calling for more taxes then they are calling on the government to increase the deficit. They are saying: "Government, go and mortgage further the future of the children, of your children. Do like the Liberals did, borrow and do not worry whether you can pay it back".

The hon. member was talking about my people back home in my riding of Madawaska.

[*Translation*]

He asked me whom I was trying to fool. I am not trying to fool anyone, but I think the hon. member should have considered the following problem. Out of every tax dollar our farm producers and potato growers send to Ottawa, 36 cents is spent on interest charges. I cannot use those 36 cents to provide certain services. I cannot use them to help people who need help. I have to pay the interest on a debt.

An hon. member: His debt.

Mr. Valcourt: The Liberal Party's legacy to Canadians, and it has the nerve to tell us that we doubled the national debt since 1984. I agree the debt has doubled. But the hon. member did not say, because he does not want Canadians to understand—fortunately Canadians are intelligent people and they do understand—that the

debt doubled because of the interest charges compounding on that debt. That is why the debt doubled in eight years. That is what happened, and that is the truth, but it does not seem to interest the hon. member opposite. I wonder why.

[*English*]

The hon. member was talking about doing nothing. I want Canadians to know, those young Canadians, those men and women throughout Canada, that this government firmly believes that even in times of recession Canada cannot afford to further our already excessively high level of public debt as compared to other G–7 countries.

Rather, we must build upon the structural changes that we as a government have implemented in order to keep up with our competitors. It was nice in the old days when, without regard for the rest of the world, we could do it and go at it alone here. But Canadians know that the wealth of Canada is as a result of being able to trade on world markets, sell our goods and services around the world at competitive prices. We have to ensure that we are competitive in order to be successful.

The Liberals complain about the policies which are making Canadians competitive. I do not want to sound as if unemployment is unimportant but the fact remains, if you look at the picture that 90 per cent of the active labour force is at work in Canada and we have workers and companies doing very well on the world markets. Our companies are competitive as are the vast majority of people in this country.

We have a problem with the high rate of unemployment as do all OECD countries. What can we do about it? In the old Liberal days of throwing money at a problem, hoping it will go away, there would be short-term make-work projects. That is what they are calling for again.

For the unemployed Canadian, the man or woman who is unemployed right now, we could probably have a make-work project and stand them up, give them 10 more weeks and that person may go on unemployment. That was the solution of the Liberal government and it is still the solution of the Liberal Party. This has the result of being no further advanced.

Madam Speaker, you heard the member who spoke before me. He is offended that we have a rate of unemployment of 10.4 per cent in Canada. Is that not terrible? He does not like to refer to prior to 1984, but let us talk about 1984 when we came to office. In 1984 that hon. member and his party went across Canada asking Canadians to re-elect them to office when there was a rate of unemployment of 11.4 per cent or 11.6 per cent. But that was fine; it was the making of the Liberal Party of Canada.

You see we have a corner on everything, so it is all right.

[*Translation*]

It is all right for them. They can do that, but if you happen to belong to the Progressive Conservative Party, if you truly represent all Canada's regions and on top of that are committed to your principles and are not concerned about being a crowd pleaser but about the well-being of the people of this country, you take measures that may be Draconian but have to be taken all the same.

• (1050)

And that is the right approach.

An hon. member: Oh, oh.

Mr. Valcourt: Madam Speaker, they present a motion before the House. They want it to be debated and they do not even have enough respect for this institution to accept and respect the fact that you have given me the floor. The hon. member keeps interrupting. He won't stop. What is the point? Is this going to do something for the unemployed in this country? I am trying to explain what we want to do to protect our country's competitive position and ensure that Canadians will have a better future. To hear these people talk, you would think all we want to do is make life tough for Canadians. It is not like that at all. When we talk about solutions—

[*English*]

Madam Deputy Speaker: I know that heckling is something that is done in this House. The Speaker will not do anything unless the member who has the floor seems to be upset about it. The hon. member for York South—Weston was not interrupted during his presentation. I think he should allow the minister to keep on going.

Does the hon. member have a question?

Mr. Nunziata: I wanted to apologize, Madam Speaker, for breaking the minister's train of thought. I know it is rather easy to do that.

Madam Deputy Speaker: The apology is accepted, I am sure.

Mr. Valcourt: Madam Speaker, I wish that all Canadians could see the spectacle of the rat pack back at it.

I was talking about the requirements to ensure that Canadians can get jobs. One of the factors is to improve the efficiency of the labour market.

The first factor in improving our competitiveness is in improving the efficiency of our labour market through skills upgrading. On the other side of the House the other political parties recommend short-term, make-work solutions, but make-work projects are band-aid solutions.

As I said earlier, it may have been the favourite approach during the seventies to remedy what were cyclical labour market difficulties, but the evidence today to anyone who really cares about the problem and tries to explain why and understand why is overwhelming that in the face of major structural changes to the economy more than band-aid solutions are required to respond to the labour market needs of the 1990s.

The Canadian economy of today has increased skill requirements and the nature and type of work has changed. If we are to be internationally competitive, we must respond appropriately to these changes through training. Make work is not the solution. We have structural problems, not cyclical problems.

Yesterday Speaker, I was meeting with the council of automotive and repair people and one garage owner here in Ottawa was telling me that he had put ads in the paper trying to get a qualified mechanic for his garage here in Ottawa and he could not find anyone qualified.

There is a shortage in Canada of skilled workers. Unemployed people have to tap these opportunities of training and retraining in order to get better qualifications in order to get into the jobs. In the long run training has benefits for both individuals and the country. We should consider that by the year 2000, and that is not far away, almost two-thirds of all new jobs will require at least one year of educational training beyond high school.

Back in the 1970s it was easy to get a job with just a grade 9 education, but that is no longer the reality today. That is not the case any more. Training is also good from a macro-economic perspective, because a highly skilled work force attracts foreign investment in Canada.

Training raises productivity. Workers with higher skills are employed in higher productivity jobs, earning higher wages and making Canada more competitive. For that reason the government's priority has been the development of a skilled work force to accommodate economic and social change. For the unemployed there is no better time to train than during forced periods of unemployment.

When the economy recovers, human capital is improved and workers are prepared to take an active role in the labour force. However, more could be done with available resources to improve labour market efficiency by shifting priorities from passive income assistance and transfer to active measures, and from social treatment of unemployment to a more economic one.

In the OECD study of active versus passive program expenditures, Canada ranked 20th out of 23 member countries with only 24 per cent. Only 24 per cent of Canada's labour market program expenditures was spent on active measures. We began the transition toward more active policies with the labour force development strategy in 1989.

It became evident over the years that passive income generated significant disincentives to seeking employment. It certainly did nothing to develop the skills of the unemployed to make them more employable and more productive members of the labour force.

I see you indicating that I should conclude my remarks, Madam Speaker. The hon. member and his party vehemently opposed in this House and in the Senate the changes to the UI program we introduced two years ago. From 1990 to 1992 we have tripled the $600 million spent to train unemployed Canadians. This has gone up. In 1992 we will be spend $1.8 billion to train unemployed Canadians. I think that speaks louder than the yapping of the hon. member.

[*Translation*]

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I have a question for the minister. On February 8, an economist demonstrated, based on unemployment statistics, that Canada would seem to be one of the worse among the OECD nations. I think that only in Spain, Italy and Australia is unemployment worse than here. On the retail sales tax, for instance, we are the worse among the OECD nations, second only to Australia and England I believe. In light of these figures about the OECD nations, can the minister honestly tell us that this government has a sound economic policy?

Mr. Valcourt: Madam Speaker, for the sake of comparing Canada's economic performance to that of the other OECD nations, the hon. member can of course look at some statistics, but I would encourage him to consider the OECD projections as well, to look at them and admit what they say. It is anticipated that out of 23 member nations—

Madam Deputy Speaker: I am sorry to have to interrupt the minister. I will give him the floor as soon as we resume debate.

[*English*]

It being eleven o'clock a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADIAN WINE INDUSTRY

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, I would like to draw to the attention of the House a series of honours which have been bestowed on Canadian wines.

With a great deal of pride I point out that my constituency, Welland—St. Catharines—Thorold, is in the grape growing area of Ontario.

The president of Inniskillin Wines, Mr. Donald Ziraldo, who is also a former student of mine, has been named to the Royal Order of the Grape. This honour is awarded annually to an individual who has performed outstanding services for Ontario's grape and wine industry.

Bright's Wines took gold and silver medals at the 1991 International Monde Selection competition held recently in Spain.

In all, I know that all members will be very happy to know that Canadian wines took 18 of the 60 awards at The Cellars of the World wine competition.

* * *

YOUTH

Mr. Ken Atkinson (St. Catharines): Madam Speaker, I want to tell the House today about some alarming statistics concerning Canadian youth and about the unique and innovative project being funded by Health and Welfare Canada to address some of these problems.

Nearly 50 per cent of Canadian teens are sexually active by grade 12. Each year 35,000 teenagers become pregnant, and 79 per cent of teen mothers are single. Sexual abuse is also prevalent among youth in Canada today. One in two females and one in three males are exposed to unwanted sexual acts by the age of 18, and 28 per cent of sex offenders were abused at one time in their lives.

There is a great number of programs available to address these situations. I would like to commend Health and Welfare Canada and the cast and crew of the *Degrassi High* television series for addressing issues such as sex, sexuality and abuse in a realistic upfront youth based manner. These shows are targeted to youth between the ages of 12 and 17.

I encourage all Canadian youth and their parents to watch these programs.

* * *

OCEAN RANGER

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Madam Speaker, I rise before the House in memory of the men and women who died on February 15, 1982 as the result of the sinking of the *Ocean Ranger* drilling unit during a severe Atlantic storm. We must not forget as well the families and friends of these men and women who have had to endure the memory of this tragedy.

After 10 years, the Government of Canada will close the last chapter of this tragedy when it tables shortly its final response to the recommendations of the royal commission on the *Ocean Ranger* marine disaster. This response is a result of extensive consultations with national and international oil and gas stakeholders and will ensure a consistent regulatory regime throughout the frontier lands.

In order to enhance the safety of offshore personnel who work in a very perilous area, namely the Atlantic Ocean, the strengthening of Canada's regulatory regime became of utmost importance to the government. Canada's safety requirements are now one of the most stringent in the world and have been of interest to other countries including the Soviet Union and China.

* * *

[*Translation*]

TAXATION

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, I would like to bring to your attention the case of a couple from my riding. Because they are both retired, they are not entitled to child care expense deductions under the Income Tax Act.

I think it would be important that exception provisions be included in this act to avoid penalizing seniors who, for personal reasons, have a young child.

I would appreciate it if the Minister of Revenue would consider including such an exception in the Income Tax Act as soon as possible.

* * *

[*English*]

HEART MONTH

Mr. Jim Karpoff (Surrey North): Madam Speaker, February is Heart Month. Heart disease and strokes are responsible for more than 40 per cent of deaths in Canada and cost an estimated $17 billion annually.

The Heart and Stroke Foundation has taken a leading role in fighting the causes of heart disease. The foundation has joined other health agencies to campaign against tobacco which kills more than 38,000 Canadians annually and causes more than 30 per cent of heart disease deaths. We have accomplished much in this area, but much remains to be done with regard to cigarette package health warnings, helping smokers to quit and finding alternative crops for tobacco farmers.

Let us mark Heart Month with more progress toward making a smoke-free Canada. Let us mark Heart Month with support for the Heart and Stroke Foundation.

* * *

OLYMPIC GAMES

Mr. René Soetens (Ontario): Madam Speaker, I rise to express sentiments that I am sure all Canadians share with me today, our deepest pride in Canada's athletes competing at the Albertville Olympics, and my most sincere congratulations on their performances over the last few days.

Most of us are aware of the bronze medal won by Isabelle Brasseur and Lloyd Eisler from Boucherville, Quebec, in the figure skating pairs competition. This is not only Canada's first medal at these games, but also the first medal win for Canada in this event since 1964.

I would also like to draw the attention of the House to Canadian athletes who have achieved a best ever performance by a Canadian at the Olympics, Rob Crossan of Barrie, Ontario, who finished 12th in the men's alpine combined and Steve Cyr of Val-Belair, Quebec, who finished 8th in the men's 10-km biathlon.

Another source of great pleasure and admiration to Canadians everywhere is our hockey team which remains undefeated after three games.

I know you will join me in applauding the achievements of our athletes today, as well as wishing all the best to the many others who will be competing at these prestigious games in the next few days.

* * *

DOMESTIC WORKERS

Mr. David Berger (Saint-Henri—Westmount): Madam Speaker, I want to condemn, in the strongest terms, recent changes to the foreign domestic program which the immigration minister has called "improvements designed to address the concerns of domestic workers and employers". What garbage. Both domestic workers and employers are opposed to these so-called improvements.

The minister is taking away the right of workers to be assessed as potential landed immigrants before coming to Canada on work permits and the right to apply for such status from within Canada after two years of service as live-in domestic workers.

This will subject workers to the pre-1981 scenario of exploitation by employers, discrimination and the denial of human rights.

Further, educational standards that the minister is now asking for will effectively close the door to women from many poorer countries. This is blatant discrimination.

This policy is another blow to Canadian families. The reality is that the two-parent working family has become the norm. When both parents work, they need help in the home.

[*Translation*]

Madam Deputy Speaker: I am sorry, but your time is up.

* * *

[*English*]

THE DEFICIT

Mr. Garth Turner (Halton—Peel): Madam Speaker, in an effort to pursue their own agenda of high government spending, the Public Service Alliance of Canada and the National Union of Provincial Government Employees have just published a comic book on the national deficit.

But this comic book does not contain any laughs. Instead, it is an attempt to con Canadians into believing that deficits are good and that Ottawa should spend more money, especially on its own employees.

I am amazed at the contradictions this booklet contains. On one page the unions complain about high taxes and on another page they say that there is nothing wrong with deficits.

The union brothers and sisters forget one economic fact. Deficits are deferred taxes. Yesterday's deficits are today's taxes.

Taxes are high today because governments spent more than they earned in previous years. For unions to suggest that we continue doing that will only further enslave Canadians.

I suggest that if anybody wants proof, they should go and talk to Ontario premier and deficit fighter, Bob Rae.

* * *

IMMIGRATION AND REFUGEE BOARD

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, on Monday, while an Iranian refugee claimant was telling how he was tortured, the two IRB refugee division commissioners judging his claim were sniggering and passing derisive notes to each other according to *The Globe and Mail* today.

The Minister of Employment and Immigration and the chairman of the IRB have said such conduct is unacceptable and that these excellent commissioners have flipped. They instructed assistant deputy chair Anna Ker to have these members apologize.

That is not enough. Do not just make scapegoats out of Mr. Snow and Ms. Goldie to hide the real scandal that could drive them to flip.

The commissioners are supposed to be independent decision makers, but a former commissioner has told me that they were being pressured to make more and more negative decisions, sending possible refugees back to persecution. The refusal rate has risen to 36 per cent.

I challenge this government to appoint an independent inquiry into the hidden pressures on commissioners directed by Ms. Anna Ker.

* * *

• (1110)

THE CONSTITUTION

Mr. Ken James (Sarnia—Lambton): Madam Speaker, the Government of Canada proposes an amendment to the Constitution to entrench a general justiciable right to aboriginal self-government in order to recognize the autonomy of aboriginal peoples over their own affairs within the Canadian federation.

In my riding the Sarnia—Lambton Constituents Assembly Committee was sympathetic to the demands of our native people for the right to govern their own affairs. It is unacceptable that our native people who were the first people to live on this land are subjected at times to social and economic disadvantages.

Now is the time for our aboriginal people to be included in these discussions. The majority of Canadians feel this is the time to close the circle of Confederation and ensure that aboriginal people in Canada can creatively and positively pursue their economic, political, social and cultural objectives within Canada.

This is the Canada round. Canada's first people must not be left out in the cold.

* * *

SOMALIA

Mr. John Manley (Ottawa South): Madam Speaker, I want to bring to the attention of House the critical situation in Somalia.

According to a report issued last week by the Red Cross, people are starving as no major food distribution has been able to occur since mid-November. A further 250,000 displaced people in and around Mogadishu are estimated to be at risk and the weakest are already dying.

The conflict in Somalia has assumed the proportions of a devastating war and Somalia now lies in ruins. Mogadishu has been shelled and looted. Electricity and telephone lines are cut and armed gangs speed through the streets. Relatives of many Somalian families living in Canada have suffered rape and slaughter.

With food extremely scarce and no work, the population is in despair. As indiscriminate killing has resulted in widespread panic there has been the displacement of thousands of people, even whole towns.

Human suffering should evoke a human response wherever and whenever it occurs. Let us not overlook the intense suffering of our brothers and sisters in the land of Somalia merely because the international news—

Madam Deputy Speaker: The hon. member's time has expired.

* * *

OCEAN RANGER

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, the Hickman Royal Commission was established by the federal and Newfoundland governments in February 1982 in response to the *Ocean Ranger* disaster. This tragedy occurred on February 15, 1982 off the coast of Newfoundland and resulted in the loss of 84 lives.

The commission was charged with the responsibility to investigate the loss of the *Ocean Ranger* and all the members of its crew and to examine the safety of offshore drilling operations. Numerous recommendations have been acted upon.

Commissioner Alexander Hickman wrote two reports, one in 1984 and a second one in 1985. A total of 136 recommendations were developed relating to safety, training and government regulation of activity.

It should be noted that the majority of the recommendations have been addressed. The Hickman reports were released and the recommendations were addressed between the years 1985 and 1991.

* * *

THE CONSTITUTION

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, Canadians do not need to accept the constitutional tradeoff being proposed in some quarters.

Some say we must support either Quebec's aspirations to be recognized as a distinct society, or the aspirations of aboriginal people to have their own distinctiveness acknowledged. I recognize both.

But aboriginal demands for this recognition are not new. A prominent Quebecer referred to them last summer when he said: "As a Quebecer calling myself different I have some kind of sympathy for those who express their differences. They are really distinct people and we have never said we would never accept the concept itself. Inuit and native people are not special interest groups; they are nations, they are societies, they are different and they will be treated as such".

That prominent Quebecer was the Minister of National Health and Welfare, speaking last August 15 as co-chair of the unity committee of cabinet.

I hope the constitutional conference in Vancouver this weekend will take heed of his other comment at that time: "We should not be afraid of words," he said. "Distinct and self-determination are not things that a country should break up over".

THE PRIME MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, this is Valentine's Day, a day of love and friendship. Let us take the opportunity to offer heartfelt congratulations to the Prime Minister for his lovely message to Canadians yesterday.

The boy wonder from Baie Comeau while on tour in southwestern Ontario passionately declared: "If you don't like me, don't vote for me". I love it, Madam Speaker. Such honesty, courage and piercing insight are applauded by the Liberal Party and all Canadians.

However, 84 per cent of us had thought of that already. Only 16 per cent had any intention of voting for him and his party. Now even die-hard Tories have been relieved of this tremendous burden. Thanks to the Prime Minister's remarks, all Canadians will now be able to do the right thing in the next election: defeat the Tories and elect a Liberal government which will have the interest of Canadians at heart.

What a heart-warming thought for Valentine's Day.

* * *

OCEAN RANGER

Mr. John A. MacDougall (Timiskaming): Madam Speaker, tomorrow marks the 10th anniversary of the *Ocean Ranger* tragedy off the shores of Newfoundland. This day 10 years ago was a sad day for all Canadians, particularly for the people of Newfoundland.

A royal commission was established to inquire into the loss of the *Ocean Ranger* and to make recommendations to the federal government with respect to both the marine and drilling aspects of offshore drilling operations. To date, over 90 per cent of the recommendations from the Hickman royal commission have been addressed.

After extensive consultations with other federal departments, provincial and territorial governments, offshore petroleum boards, the National Energy Board, and the industry, I am pleased to inform that the government's response to the remaining recommendations is being finalized into legislation and that the Minister of Energy, Mines and Resources will be introducing it shortly into the House.

ORAL QUESTION PERIOD

[*Translation*]

FREE TRADE AGREEMENT

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, my question is for the Deputy Prime Minister. U.S. tariffs imposed on Hondas made in Canada show how amateurishly the free trade agreement was negotiated.

Why did the government sign this agreement before it had even agreed on the definition of North American content for cars made in Canada? Why has the government sat on its hands, as it were, for three years before acting?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member knows that the definition of content has been in place for many decades. It was there while the negotiation was held for the FTA. The auto pact was not part of the FTA. If anything the FTA, by putting in place a dispute settlement mechanism which was not there before, enhances the auto pact, helps protect harassment against our automotive exports, and helps to secure the FTA itself.

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, surely the minister knows that the auto pact dealt with the big three automotive companies and did not deal with new investments like the Japanese companies coming in. That is what the free trade agreement was supposed to protect.

The minister then went on to talk about the dispute settlement mechanism. The time delay, the uncertainty while we wait for a decision from that flawed mechanism, simply means the U.S. can use it to send a signal to divert new investment from Canada to the United States.

I will tell you what is happening here, Madam Speaker. We are being subjected to economic arson by the United States, and this government has supplied the kerosene and the match.

What is the government going to do to erase the tremendous obstacle to new investment that has been caused by the fact that the dispute settlement mecha-

nism itself is being used as a stall to frustrate the creation of new jobs in this country?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, the only credible incendiary activity that I could vouch for is the suggestion by the leader of the Liberal Party that they will rip up the free trade agreement and therefore burn up the whole dispute settlement mechanism, which, as the Prime Minister made clear yesterday, is in fact an insurance policy that we have in place to deal with harassment from American companies.

By the way, my hon. friend imputes the current dispute to the American government. As he knows, these are private sector initiated efforts. We do not agree with those efforts. I am not too sure the American administration does. Therefore we are pursuing our influence in every way we can with the American administration. If that does not work to our satisfaction, we will pursue our rights under chapters 18 and 19 of the free trade agreement.

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, to the best of my knowledge U.S. Customs is part of the U.S. government.

The minister shakes his head. Boy, it shows what these guys know about government. Section 18, by the way, is non-binding. You ought to begin to learn that.

In terms of shredding the agreement, the U.S. is shredding the free trade agreement and this government is letting it happen.

• (1120)

It is doing so because this government talks big and it acts small. The only way to protect Canadian jobs is to tell the U.S. now what we will do if it does not stop harassing us immediately. We are its largest trading partner, and the only way we are going to stop an eventual trade war is if we show firm resolve at this very crucial moment.

We know what the U.S. is doing to us. The issue is: Does this government have the guts to respond? Will this government tell the House today what specific measures of retaliation it is prepared to take against the United States in the case of Honda?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, I suppose the hon. member wants to send in the troops as well. The Liberal policy toward trade with the United States when there is any provocation is in fact to retaliate in some sort of absurd way.

What we have in place is a structure which allows us to deal with this in a way that we did not have before the free trade agreement. The hon. member knows that.

Let me just address his allegation that the U.S. Customs Service is part of the U.S. government's tariff and trade stance. It is not. Independent private sector operators ask for audits. Audits are conducted by U.S. Customs. What eventually happens will be decided by negotiation. Also it will be subject, for the first time ever since the free trade agreement, to the dispute settlement mechanism which we now have in place.

The dispute settlement mechanism gives us equality when we have a dispute, something that was never there before the free trade agreement. The hon. member is against the free trade. What would he put in place for settling disputes?

* * *

HIBERNIA

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, 10 days ago in the wake of Gulf Canada's announced pull-out from the Hibernia project, the Minister of Energy, Mines and Resources told the House, and through the House told Canadians, that it was business as usual, that the Hibernia project would proceed on schedule.

This morning, in a devastating blow to Newfoundland and Labrador, the pace of Hibernia development was cut in half and over 600 workers were given their lay-off notices.

What assurances, if any, can the Deputy Prime Minister on behalf of this government give to the remaining 1,000 workers whose livelihood depends on the continuance of the Hibernia oil and gas project?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, the decision of Gulf to pull out of the Hibernia consortium was a commercial decision and that triggered a number of events.

It is important to ensure that the project does go forward. Obviously the withdrawal of one member of the consortium does have an impact upon the financial operations and the cash flow. It is encouraging that the consortium is regrouping and restructuring its efforts to

see that the project does go ahead. Of course in that regard the Government of Canada will co-operate.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, the people of Newfoundland and Labrador find it frightening that only 10 days ago they were told: "Don't worry, this project is proceeding", and this morning 600 of their fellow Newfoundlanders and Labradorians are without work.

Can the Deputy Prime Minister tell the House, and through the House the people of Newfoundland and Labrador, what specifically the government is doing to assist the remaining members of the consortium to find a new investor or investors to ensure that the Hibernia project does not go the way of so many other projects and jobs in this Canadian economy during a time of recession?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, that is a fair and valid question.

The Government of Canada has been involved from the very outset in the promotion of this project and it is still involved today. The Minister of Energy, Mines and Resources has been in Newfoundland, meeting with the members of the consortium. I think the most encouraging words were those words spoken by the Hibernia executive committee chairman, Norman McIntyre, when he said: "Our planned actions are being taken to ensure every effort is being made to maintain reasonable progress on the development of Hibernia". I think that is key, that is critical. The government is involved in that exercise with the members of the consortium and I can assure the hon. member of that.

* * *

ATLANTIC ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, it is a very sombre day for Atlantic Canada, not just because of the 650 lay-offs which have been announced in the case of Hibernia but because we just heard word that Fishery Products International is laying off 1,000 workers in Newfoundland.

We have also had word today that 810 workers were having their jobs shifted from Halifax to Ontario by Sears Canada. That is a total loss of almost 2,500 jobs hitting Atlantic Canada in one day. That is not just tragic; that is devastating for this region.

I want to ask a question of the Deputy Prime Minister. In view of this series of catastrophic blows announced today, what assurances can the Deputy Prime Minister give to Atlantic Canadians that there is going to be action by this government to replace these jobs and give opportunities to Atlantic Canada to be part of future growth in this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I indicated in response to an earlier question, the Government of Canada is very much involved and has been involved in the promotion of the Hibernia project. We are there today, as we have been in the past in the original development of this very important initiative.

I am sure the hon. member will be aware that the Government of Canada awarded to the Saint John Shipbuilding organization one of the largest defence contracts ever undertaken, ever issued in Canadian history. That work is taking place in Saint John, New Brunswick.

The hon. member will also be aware that Halifax-Dartmouth Industries received the contract for the building and development of the mine sweepers. He will also know that we are actively engaged in promotion of the Prince Edward Island fixed link, which would be a very important capital project. I am sure he is also aware of my recent announcement wherein we undertook to increase equalization payments to the have not provinces, and the Atlantic provinces particularly have been the major beneficiary of that action.

While I agree that there are some unfortunate developments, I think it is fair to say, in fairness, that the Government of Canada is responding.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I have a supplementary question.

The minister has listed a series of past actions by this government. What I am talking about today is 2,500 jobs that have been lost in Atlantic Canada in one day.

I say to the Minister of Finance that it is not good enough to get up and recite the past to try to respond to this devastation of today.

What is the Deputy Prime Minister prepared to do to respond to the loss in one day of 650 jobs in the Hibernia case, 1,000 lay-offs from Fisheries Products International, and the loss of 810 jobs shifted to Ontario? What is he prepared to do today to give assurances to Atlantic Canada that there is going to be—

Madam Deputy Speaker: I think the question has been put.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, with regard to the problems in the fisheries, I am sure the hon. member is aware that the total allowable catch has been adjusted downward because of the lack of cod stocks.

My understanding is that still remains a very serious problem and it is deteriorating day by day. We have an Atlantic Fisheries Adjustment Program in place of something close to $600 million that provides for transition and assistance for those particular workers. The hon. member suggests that we have lost *x* number of jobs in one day. I remember when the government was promoting the Hibernia project. One of the reasons we had difficulty getting that bill through was because the New Democratic Party was opposed to it. Now he stands up and talks about how good it was. Where were you then when we needed you?

• (1130)

Madam Deputy Speaker: The hon. member for Essex—Windsor has been presenting very long questions. It would be appreciated if we could have shorter questions and then we could have shorter answers.

Mr. Steven W. Langdon (Essex—Windsor): I would simply say that this is an extremely serious situation. It is not something for partisan point scoring. I say to the Minister of Finance that when 2,500 jobs are lost in a single day—

Madam Deputy Speaker: Does the hon. member have a question, please?

Mr. Langdon: When 2,500 jobs are lost in a day, it is something that requires immediate government assurances.

I ask this government and I ask this Minister of Finance: What is he prepared to do for Atlantic Canada to give the people some hope in the face of this devastating news? What is he prepared to do now?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as my hon. friends across the way in the Liberal Party reminded me, the New Democratic Party opposed the Hibernia project. I thank them for reminding me of that because we hear now a lot of wailing and gnashing of teeth, and tears falling from the eyes of the New Democratic Party. But I do not underestimate the seriousness of it.

My colleague, the Minister of State for Grains and Oilseeds, has just handed me a document from Statistics Canada which reveals that the food and beverage industry for the Atlantic region has increased its employment base by 5 per cent or 1,900 workers in the last few months.

That is the kind of encouragement, that is the kind of adjustment that needs to take place. It is reflective of the globalization and the fact that we have to change from a resource based society to a more processing, knowledge based and technology based society. The government has in place a number of programs that, indeed, encourages that.

He asks me what I am going to do today. We are continuing to work at promoting the Prince Edward Island fixed link. We hope that it will become a reality and will provide needed access to the province of Prince Edward Island, plus jobs.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, it is not all bad; the NDP have found Atlantic Canada.

More seriously, the Hibernia bombshell today—and it has to be categorized as such—plus the lay-off at Fishery Products International, those 1,000 people in Catalina, together constitute a very big kick in the guts on what is now a very bleak Valentine's Day for those people.

I want to go to the fisheries issue and ask the Deputy Prime Minister: Does he not recognize the increasing

importance of preserving the traditional jobs now that some of the more high-tech jobs are slipping through our fingers, it would seem?

In that context, could he tell us what the government has done fairly recently, because he knows his own minister of fisheries has said that traipsing around Europe trying to convince that crowd to stop overfishing is a wasted effort.

What, in particular, is the government going to do to address the problem that he himself identified a moment ago to reduce quotas, caused directly and principally by foreign overfishing?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to tell the hon. member that I discussed this issue with the minister of fisheries by telephone yesterday. He was in Newfoundland and reminded me of the urgency and the gravity of the situation and the need to step up our campaign with respect to foreign fishing outside the 200-mile limit. That still is a very serious problem and he has an action plan to deal with that more effectively.

The Atlantic Fisheries Adjustment Program is a program that is administered both by my colleague, the Minister of Employment and Immigration, and the Minister of Fisheries and Oceans. There are programs in place to ensure that adjustment and that transition can be looked after. We certainly will be examining that program to ensure that it is sufficient to deal with the problem at hand. I can assure the hon. member we recognize the seriousness of it and we will be dealing with it in a specific way as soon as the hon. member returns from Newfoundland.

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, I thank the Deputy Prime Minister. He is obviously focusing on this issue but there is another possibility. What if all the talk does not work with the Europeans, as it has not thus far?

Is he, or is the government, then prepared to go the next step and do what follows quite naturally from the 1977 Law of the Sea agreement? Is the government prepared, after due notice and after a fairly reasonable deadline, to extend the continental shelf to embrace the nose and tail of the Grand Bank and the Flemish Cap and by extension to protect those fish stocks and put them within Canadian control rather than the hands of a toothless wonder called NAPO?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member poses a hypothetical situation and I think it would be inappropriate for me to speculate except I can assure the hon. member that we recognize the seriousness of the problem.

We have in place the framework of programs that can be utilized. We will ensure that there are adequate resources provided to ensure that assistance is provided to the fishermen.

In terms of the broader question, the hon. minister of fisheries has some new approaches and ideas with respect to this and I would like to discuss those with him and other cabinet colleagues before speculating on the what-ifs that the hon. members has raised. Obviously he considers it to be a very serious problem. I can assure him that we do too and we will be doing our level best to deal with it.

* * *

INTEREST RATES

Mrs. Diane Marleau (Sudbury): Madam Speaker, this government keeps saying that the cure to our recessionary woes is a lower interest rate. Yet for the third week in a row the government has allowed the Bank of Canada rate to go up.

I ask the Minister of Finance, if this government is so interested in getting the economy moving again, why is this government allowing the cancellation of its own remedy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I indicated in the House yesterday, we have experienced a fair amount of volatility in the exchange markets over the last three weeks and what we are seeing are the market forces at work.

I think the hon. member realizes that these kinds of ups and downs have occurred in the past and will probably occur in the future. The fact of the matter is the trend line on lower interest rates has been real. The easing of monetary conditions, both at the interest rate level and the exchange rate level, has been real and that has, as I noted in the newspaper today, made home ownership at one of the lowest levels it has been for quite some time. All of these things, particularly those sectors that are interest rate sensitive, have been helped a great deal.

I can assure the hon. member that this is the market forces at play and it is the market that is causing this to occur.

Mrs. Diane Marleau (Sudbury): Madam Speaker, is this minister imagining that the recession is over? Could he also be imagining that Canadians are all back at work after everything we have heard this morning?

Can the minister today tell Canadians that this three-week increase in the Bank of Canada rate is just an adjustment and not a long-term trend?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, there are no quick or magic fixes. The hon. member knows that.

There is no Minister of Finance who can—

Mr. Nunziata: You are going to allow interest rates to go up.

Mr. Mazankowski: The hon. member says I am going to let interest rates go up. The fact of the matter is that interest rates have come down by 7.5 percentage points since the high of 1990.

* * *

UNEMPLOYMENT

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, more than 461,000 jobs in the manufacturing sector have disappeared.

I want to ask the Minister of State for Small Businesses and Tourism about the 461,000 jobs that have disappeared. It is a 23 per cent drop compared to only a 6 per cent drop in the United States. It is the worst drop in manufacturing jobs in Canada since the depression of 1929-1930, the late lamented history. Does the minister not agree that this is low-level politics on the Honda issue along with these statistics by the United States administration?

• (1140)

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, I thank the hon. member for his question. I have to agree with him. I think it is low-level politics and the Prime Minister of Canada made that clear in his interview yesterday.

The Americans are caught in a protectionist fever as a result of manufacturing job losses in the United States and they are lashing out, primarily against the Japanese, and we are being side-swiped.

Thank heavens we have processes to deal with this. We have a process in place that was not there before the free trade agreement which is the dispute settlement mechanism. Before that has to be invoked, and perhaps it will have to be invoked very soon, we are pursuing aggressively all of our avenues.

I want to speak about the hon. member's statistics. He mentioned 461,000 manufacturing jobs. The NDP does this all the time. It keeps mentioning that number. It is not accurate. There is a lot of double counting involved in it. Manufacturing job loss in Canada has been substantial and it has been real. It has been very similar in proportion to job loss in the United States.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, I want to confirm that the figures I used are from StatsCanada, January 1992 and also the U.S. department of labour. They are government agencies.

The minister seems to be confused about government agencies and the U.S. Customs. In an earlier reply to a member in this House, He said that the assault on Honda was not politics and had to be reminded that it was his own Prime Minister who said that it was low-level politics. The minister cannot have it both ways. He cannot deny that there are low-level politics in the United States.

Now that the minister has admitted there are low-level politics, when are we going to get some high-level politics, some leadership from this government and cancel the Canada-U.S. FTA and get out of talks with Mexico? If that is not a request, then what is he doing about the low-level politics?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member is not shedding any light at all on this issue by taking the word politics and interchanging what it means. What he is alleging is that the American administration is pressing the U.S. Customs department to pursue these audits. In fact this is not happening; it is congressmen, independent of the administration, plus industrial groups doing it.

However, we look to the administration of the United States to correct this, to see the lack of wisdom in such actions. If it does not we will revert with confidence to the dispute settlement mechanism.

* * *

HOUSING

Mrs. Louise Feltham (Wild Rose): Madam Speaker, my question is for the minister responsible for housing.

A 1990 evaluation conducted by the Canada Mortgage and Housing Corporation has shown co-op housing to be highly successful in creating healthy mixed income communities.

Since the index linked mortgage introduced in Canada by the co-op housing sector has substantially reduced the cost to the government of producing non-profit co-op housing, would the minister please tell the House the status of this program?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, the minister responsible for CMHC is away from the House on government business today.

I can quote from a press release of the minister's of December 17, 1991, when he said program funding for 1992 is $6.1 million and is based on last year's level adjusted for inflation.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, my question is for the Minister of Agriculture or the Minister of State for Agriculture. Since this House passed a resolution concerning GATT on Wednesday, February 12 and our party's amendment requires the Prime Minister to meet personally with the President of the United States and the President of the European Economic Community, at what point in the GATT negotiations will the Prime Minister hold these meetings in order to demand that article XI of GATT be strengthened?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Madam Speaker, as the Prime Minister said yesterday, I believe, he personally invited the agricultural leaders to meet with him next Tuesday, in a few days—the agenda still has to be finalized—as the Prime Minister has done many, many times before. Indeed, the Prime Minister has met Canadian farm leaders dozens of times since 1984 when we took power, and he will meet them again. I will remind my hon. colleague that he was not there then, but the previous Prime Minister, in the previous government never found the time in 16 years to meet the farm leaders. This shows the Prime Minister's interest and he has always respected farm leaders. I think that the Canadian people have shown their trust in us before.

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, you noticed that my question was very clear. This House passed a very clear resolution. Canadian farmers and members of this House would just like to know when the Prime Minister will personally meet the President of the United States and the President of the European Economic Community on this issue of article XI, which is extremely important for agriculture in Canada.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture): Madam Speaker, the Prime Minister will meet the farm leaders on Tuesday. Obviously we will discuss strategy at that meeting. As the Prime Minister said yesterday, there is a clear intention to meet with the countries that support us throughout the world, in Europe and elsewhere. Neither the Prime Minister nor we have ruled out any possible meeting with the leaders in the United States or Europe. I think that the Prime Minister will have an opportunity to discuss this strategy with the farm leaders, and when the time comes next Tuesday we will know more on this side. I think it is normal and shows respect for the farm leaders who will be here on Tuesday that we can discuss this strategy with them and do what is best to defend the producers' interests.

* * *

[*English*]

BOOK PUBLISHING INDUSTRY

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, before the free trade agreement, this government undertook to Canadianize our book publishing industry. Since free trade, there has not been any will and no concrete action to enforce this policy made by Canadians and for Canadians.

Is the government going to permit the foreign takeover of Canadian publishing subsidiaries like Harper-Collins, Collier-Macmillan and Grolier which are presently before Investment Canada? Is it going to sell off $150 million of our book publishing industry to foreigners?

Hon. Perrin Beatty (Minister of Communications): Madam Speaker, what the government is doing is announcing and enforcing a policy designed to help us Canadianize the book publishing industry in Canada.

That is why the Canadian book publishing industry is so enthusiastic about the new policy. Our determination is to ensure that more Canadian titles are published, that more Canadian authors have the opportunity to have their books sold and that more Canadians read more Canadian books.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, it is an excellent objective. It is too bad it cannot be reached by the kind of policy put forth by this government.

Now that the Minister of Communications has effectively lost control of the Canadian book publishing industry, when will this minister act to ensure that in accepting the foreign takeovers his government will, at the minimum, require the distribution of foreign titles through Canadian controlled book publishers?

Hon. Perrin Beatty (Minister of Communications): Madam Speaker, the hon. member is essentially elaborating on a column that was written by a left wing anti-American writer of fiction in today's newspaper. It is indeed an example of fiction.

Mrs. Finestone: Why don't you read *The Globe and Mail*?

Mr. Beatty: That is where I saw it.

The conspiracy theory which is being propounded here is that there is a grand conspiracy between Canada and the United States that in anticipation of the possibility—

Mrs. Finestone: There is.

Mr. Beatty: —in anticipation of the Americans being critical as part of the free trade negotiations that Canada, in advance, decided to hand the whole of the Canadian book publishing industry to the Americans.

The only problem with this particular conspiracy theory is that the very first people we heard from after the new policy was announced was the Americans complaining. If there is a conspiracy with the Americans, it must be such a secret conspiracy that even the Americans could not be allowed into it.

• (1150)

* * *

CROSS-BORDER SHOPPING

Mr. Ken James (Sarnia—Lambton): Madam Speaker, I would like to direct a question to the Minister of National Revenue. As he knows, the cross-border shopping phenomenon is a multi-faceted problem. He should also know that the retailers and consumers in my area want to thank him for the recent initiatives he has announced. It is helping to level out the playing field, but we need a little more levelling because there are some other problems.

Today I would like to ask the minister whether he is supportive of the recently requested increased number of Customs officers required for the Blue Water Bridge so that they can do proper inspections and collect the appropriate duties and taxes at the border.

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, the hon. member will know that in the last fiscal year we have increased personnel at Blue Water by some 10 person-years. We are in the process of negotiating an agreement which will increase the number of toll booths at Blue Water. Obviously, if we are going to increase toll booths, we are going to increase personnel to man those toll booths.

Let me point out to hon. members that it is my belief and my hope that as a result of the announcements made earlier and the initiatives announced earlier this week the reduction of cross-border shopping will continue to escalate as we move into 1992. Hopefully the provinces will move toward harmonization, and specifically the province of Ontario toward Sunday shopping which would help the situation even further.

COASTAL PATROL VESSELS

Mr. John Brewin (Victoria): Madam Speaker, my question is for whoever is answering on behalf of the Minister of National Defence or the Associate Minister of National Defence. In answering an earlier question, the Minister of Finance listed the coastal patrol vessel project as one of the government's accomplishments for Atlantic Canada. Yet, precisely because of the actions of this government, this project is now in jeopardy.

After announcing the contract, the government has now proposed a condition of a $100 million guarantee performance bond. That is higher than it has asked in any other similar project. Will the government assure this House that this belated move is not just a ploy to permit the government to get out of this project and blame the contractor and the provincial government for its demise.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I can assure the hon. member that it is no ploy and it is not belated. In fact, standard procedure was part of it in the first instance and there has been nothing untoward, nothing out of the ordinary. It is common practice when committing to spend hundreds of millions of dollars of the taxpayers money that we have some assurance that the taxpayer gets value for it. That is all that is involved.

Mr. John Brewin (Victoria): Madam Speaker, in the case of the frigate program the requirement of Saint John Shipyard was a $60 million loan guarantee for a $6 billion project.

In Nova Scotia, the requirement of a $100 million performance guarantee was asked after the fact on a $450 million project, $250 million of which is for Halifax. The provincial government has now said that it is too high. I would assume this government talks to its provincial counterparts before it makes this kind of deal. Is the government simply incompetent or negligent? What is going on in this project? Will the government assure the House that this project is going ahead?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I guess the answer is none of the above. One thing this government is, in distinction to the members of the New Democratic Party, concerned about the taxpayers getting value for their money.

REFUGEES

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my question is for the Minister of Employment and Immigration concerning Peter Zujewsky, Marzena Tomala and their seven-month old Canadian born daughter, Agatha. This family faces a deportation hearing next week if they do not leave Canada this weekend, even though they have been models of good citizenship, working three jobs, putting down roots and learning both official languages on their own.

Will the minister personally intervene today and grant a minister's permit to allow this couple to stay in Canada with their Canadian born daughter?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I have had the chance to speak personally with the hon. member about this case. I indicated to her that I have reviewed this case personally and I am satisfied that our refugee determination process has been fair.

Again, we cannot and we should not forget that the primary role of the refugee determination process is to protect genuine refugees and not a fast track immigration process.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my supplementary question is for the same minister.

Clearly a four-year delay has changed substantially the situation. I have here the minutes of the review board hearing the minister just referred to. The board took the highly unusual step in this case of requesting the minister to give full compassionate and humanitarian consideration to this couple and even gave the minister helpful comments on their character and commitment to Canada.

In light of this, I ask again: Will he please give his personal consideration to these favourable comments, use the discretion he clearly has and allow this couple and their daughter to stay?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, as I indicated yesterday to the hon. member, in order to protect the integrity of the refugee determination process, this cannot be a fast-track immigration process.

I have indicated to the hon. member that this family can apply for immigration from outside Canada like everyone else and will be given consideration.

* * *

EMPLOYMENT

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, my question is for the same minister. It pertains to the unemployed in this country.

Canada Employment had a casual employment placement office in my riding where 30 to 40 people would line up every morning to at least get a casual, short-time job. With no notice, with unemployment at record levels in Toronto, with the permanent Canada Employment office telling these people they have no jobs for them, this government closed the office at 341 Keele Street.

I ask the minister: Where are these people supposed to go to find work? Where are they supposed to go when the casual placement offices are being closed by this government?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, my department has something like 1,200 points of delivery in Canada. I regret, but I am not aware of the details of the specific case he mentions. Had he given me notice I could have looked into it, which I will do, and get back to him.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I will do the homework for the minister. I called Canada Employment yesterday and I was told that there had been acts of vandalism against the building and violence against the staff. These obvious acts of frustration as a result of the unemployment situation are just the tip of the iceberg.

When will this minister implement the Liberal five-point plan for economic recovery and solve the unemployment problem by getting Canadians back to constructive, productive and full-time jobs?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I did not see anything of full-time production in the suggestion of the Liberals to throw money at the employment problem.

The government has indicated that it is interested in having the fundamentals of the economy right and relying on the private sector to create long-term, permanent jobs which Canadians need.

* * *

GOODS AND SERVICES TAX

Mr. Garth Turner (Halton—Peel): Madam Speaker, my question is for the Minister of National Revenue. Where is all the GST money going?

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, it is not in my pockets, I will tell you that.

I think the hon. member knows that this government has set up a debt servicing and reduction fund. The legislation has gone through second reading and is before the appropriate parliamentary committee. All of the GST funds, to the last penny, are going to go into that debt servicing and reduction fund. It will be audited independently by the Auditor General to allow Canadians to see for themselves exactly where the money is going.

• (1200)

May I add for the benefit of the hon. members that there is no windfall. In fact, we estimate the number of dollars will be exactly as projected in last year's budget.

* * *

IMMIGRATION AND REFUGEE BOARD

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, my question is for the Minister of Employment and Immigration who has condemned the behaviour of the two refugee board members who joked about the testimony of an Iranian describing the torture he had endured.

The minister surely knows that there have been other cases of unacceptable behaviour by commissioners and that commissioners, former commissioners and former adjudicators, have complained of undue pressure on them to reject more and more refugee claims, although they are supposed to be independent decision makers.

As a result, in the period of about a year the rate of rejection has gone up to 36 per cent. Therefore, I ask the minister whether he will appoint an independent inquiry to investigate these pressures, especially within the jurisdiction of assistant deputy chair Anna Ker.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I share the member's concern about the conduct of the two IRB members who are alleged to have exhibited the kind of conduct that Randolph Gass complained of yesterday, if it is true.

Yesterday I spoke with the chairman of the Immigration and Refugee Board, Mr. Fairweather, and I expressed my serious concern. As of this morning, I am informed that Mr. Fairweather has removed those two members from the hearing schedule as he continues to investigate this matter.

If the hon. member says that he has knowledge of people putting pressure on IRB members to reject cases of genuine refugees, he should bring that information immediately to the attention of the chairman.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to several petitions.

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

* * *

HOUSE MANAGEMENT

23RD AND 24TH REPORTS OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing

Order 108, I have the honour to present the 23rd report of the Standing Committee on House Management regarding the broadcasting of committee meetings.

As well I have the honour to present the 24th report of the Standing Committee on House Management.

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

* * *

[*Translation*]

PUBLIC SERVICE SUPERANNUATION ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved for leave to introduce Bill C-55, an act to amend certain acts in relation to pensions and to enact the Special Retirement Arrangements Act and the Pension Benefits Division Act.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Loiselle moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*English*]

SPENDING CONTROL ACT

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved for leave to introduce Bill C-56, an act respecting the control of government expenditures.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Mazankowski moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Routine Proceedings

CANADA PENSION PLAN

MEASURE TO AMEND

Hon. Harvie Andre (for the Minister of National Health and Welfare) moved for leave to introduce Bill C-57, an Act to amend the Canada Pension Plan.

Madam Deputy Speaker: I took for granted that there had been some discussion around the House about this matter.

Mr. Andre: Madam Speaker, there have been discussions. What I am proposing now is to introduce for the consideration of members the bill respecting amendments to the Canada Pension Plan allowing the disabled, who have been unable to get the disability pensions to which they are entitled, to receive those pensions.

This bill was passed unanimously by this House but without a royal recommendation and as a result it was turned back by the other place. Therefore, it is simply a replacement of the bill the House has already passed unanimously. I am asking today for unanimous consent to waive the normal 48 hours of notice so that members could have the bill over the weekend. Perhaps we could deal with it on Monday.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, the government House leader is correct. There have been discussions among the party House leaders on this particular subject matter. On behalf of my colleague from Winnipeg North we wish to give unanimous consent for the minister to introduce this particular bill.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, on behalf of my colleague from Kamloops, our House leader, we would like to see this brought forward and passed as soon as possible. Therefore we agree with that consent.

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Madam Speaker, as usual and it is a nasty habit, our party, the Bloc Quebecois, was not consulted. However, since we definitely want this motion to get through and this bill to be passed as soon as possible, we will give our consent.

[*English*]

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Andre moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I believe you will find consent for the following motion:

> That, notwithstanding any Standing Order of this House, on Monday, February 17, 1992, upon the completion of the Adjournment Debate, or at the ordinary hour of daily adjournment if no adjournment debate is held, the House will continue to sit until 10 p.m. for the sole purpose of allowing members to make presentations on the results of discussions that they have had with their constituents on the constitutional issue;
>
> That, for the purposes of this special debate, the question before the House shall be "That this House do now adjourn";
>
> That no member be permitted to speak more than once under the provisions of this order and for a period not to exceed ten minutes; that members be permitted to table any document which supports their verbal presentation; and that all such presentations and documents be deemed referred to the Standing Joint Committee on the Government of Canada's Proposals for a Renewed Canada;
>
> That, under the provisions of this order, the Speaker not entertain any dilatory motions or quorum calls; and
>
> That, under the provisions of this order, when no member rises to speak, at no later than 10 p.m., the Speaker shall adjourn the House until the next sitting day.

• (1210)

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, this is very similar to previous motions that we have passed. I wish to give my consent.

However, in so doing, I want to indicate to the parliamentary secretary that when reference is made to allowing members, that means allowing all members of Parliament regardless of their party or particular affiliation, including Independent members of this House, to participate as they have in the last several nights on which we were debating this particular motion.

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Madam Speaker, I have to say that although we were not consulted, as usual, we did follow the debate. We took part in it and found it interesting. In fact we are hearing interesting things from our colleagues in this House and we are certainly going to give our consent to hear some more.

[*English*]

Motion agreed to.

* * *

ELECTORAL REFORM AND PARTY FINANCING

APPOINTMENT OF SPECIAL COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I have a second motion for which I believe you will find unanimous consent. I know that consultations have gone on with all parties of the House. I move:

That a special committee of the House of Commons be appointed and empowered to undertake a comprehensive review of the report of the Royal Commission on Electoral Reform and Party Financing tabled in the House of Commons February 13, 1992.

That the Standing Committee on House Management appoint the membership of the special committee and present its report, which shall be deemed concurred in upon presentation to the House of Commons, no later than five sitting days after the adoption of the motion;

That the said special committee be composed of eight members of the House of Commons;

That the said special committee have all powers of a standing committee of the House of Commons pursuant to Standing Orders 108(1), 120 and 121.

That changes in membership of the said special committee be effective immediately after notification signed by the member acting as the chief Whip of any recognized party has been filed with the clerk of the committee.

Motion agreed to.

* * *

[*Translation*]

PETITIONS

ARTICLE XI OF GATT

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, pursuant to Standing Order 36, I have the honour and privilege to table petitions signed by 250 citizens from the electoral district of Glengarry—Prescott—Russell and other places. As could be expected, the petitioners call on this House to urge government to protect and improve article XI of the GATT. These 250 names are in addition to the 2,500 I have tabled in the House over the past few days, for a grand total of 2,750 names.

[*English*]

GOODS AND SERVICES TAX

Mr. John Brewin (Victoria): Madam Speaker, I have the honour to present four petitions on different subjects.

The first is a petition from a number of constituents from Victoria who ask that the goods and services tax on feminine sanitary products be removed.

PENSIONS

Mr. John Brewin (Victoria): The next is a petition circulated by the Public Service Alliance of Canada.

This petition calls on the government, and Parliament in particular, to maintain full inflation protection for federal public employees as a demonstration of Parliament's commitment to fully indexed pensions for all Canadians.

This is signed by many residents of the Victoria area.

UKRAINE

Mr. John Brewin (Victoria): The third petition is a little late. However, with respect for the constituents of mine and people from across Canada who signed it, I wish to present it in any event. It deals with recognition of the independence of Ukraine, which the government has now given.

Madam Deputy Speaker: The hon. member is entering into debate. He should make a very succinct explanation of what the petition is about. The hon. member might sit down when the Speaker rises, please. It would be appreciated.

If there is another petition to be introduced, I am sure it will be presented very succinctly.

Mr. Brewin: Madam Speaker, I am by training a lawyer and it is difficult for those of us in that profession to be as succinct as you would like. However, I will try to improve in response to your request.

THE ENVIRONMENT

Mr. John Brewin (Victoria): The next and final petition I would like to present is signed by many hundreds of residents of the Victoria area and calls on the government to conduct a full public federal environmental assessment review respecting the continuing use of Esquimalt Harbour and Ogden Point in Victoria for the berthing of nuclear powered and nuclear armed ships.

TELECOMMUNICATIONS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, I am presenting a petition today on behalf of a number of residents from the Toronto area. These individuals are very concerned about the application still before the CRTC regarding introduction of competition in the long distance telecommunications market.

The undersigned petitioners are urging the Minister of Communications to oppose Unitel's bid to compete with Canada's telephone companies in long distance service and are urging the minister to consult with all affected parties, specifically those—

Madam Deputy Speaker: The petition is sent to the Government of Canada. It is not sent to a minister. It would not be acceptable.

JUSTICE

Mrs. Beryl Gaffney (Nepean): Madam Speaker, pursuant to Standing Order 36, I present 75 signatures on a petition signed since the murder of Nina de Villiers on August 9, 1991, which has exposed serious deficiencies in the criminal justice system. They request this Parliament to recognize that crimes of violence against a person are serious and abhorrent and they are looking for some serious direction from this Parliament.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the following questions will be answered today: Nos. 126 and 187.

[*Text*]

Question No. 126—**Mr. Duhamel:**

For the fiscal years 1990–91 and 1991–92, has the government paid cash bonuses to (*a*) chief executive officers (*b*) senior civil servants (*c*) others and, if so, what were the (i) names (ii) positions (iii) amounts paid?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): The Privacy Act prohibits the release of personal information such as the names of public servants who received cash bonuses and the amounts paid to them.

The attached table provides information on the amounts awarded as performance bonuses to members of the management category levels for the fiscal year 1990–91. This report includes only employees from those departments and agencies for which the Treasury Board is the employer (Public Service Staff Relations Act, schedule 1, part 1). The data is based upon the information received from departments to date and represents approximately 82 per cent of the total management category population.

There will be no performance bonuses paid for performance rendered during the current 1991–92 fiscal year.

The Privy Council Office reports that no performance bonuses have yet been paid to heads of Crown corporations and Governor in Council appointees for performance during the fiscal year 1990–91. Similar to the management category, no performance bonuses will be paid for performance rendered during the current 1991–92 fiscal year.

Treasury Board Secretariat

Performance Bonuses Paid to the Management Category

1990–91 Fiscal Year

Group and Level	Bonuses Paid	Number of Recipients
SM	$4,535,255	1418
EX–1	2,202,613	619
EX–2	2,293,178	548
EX–3	1,392,541	293
EX–4	827,887	148
EX–5	431,554	60
TOTAL	**$ 11,683,028**	**3086**

Note: The data is based upon the information received from departments to date and represents approximately 82 per cent of the total figures for the management category.

Question No. 187—**Mr. Karpoff:**

1. With respect to measures being taken by the government to interdict cigarette smuggling (a) how many person-years are available to police the border against illegal smuggling (b) how many border crossing points between Canada and the continental United States are (i) manned by Canada Customs (ii) unmanned (c) what is the estimated value in the most recently compiled fiscal period of (i) illegally shipped tobacco products seized at border points (ii) illegally shipped tobacco products which enter Canada?

2. Is the government actively considering imposing an export tax on Canadian cigarettes shipped to the United States and, if not, for what reasons?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I am informed by the Solicitor General of Canada and the Department of Finance as follows:

The answer by the Solicitor General of Canada based on information maintained by the Royal Canadian Mounted Police, much of which was provided by Revenue Canada, Customs, is:

1. (a) The RCMP currently has 168 person-years dedicated to investigate Customs and Excise offenses within the country. In addition, all border detachments dedicate manpower to police the border in their areas and provide assistance to Revenue Canada, Customs as required.

(b) The number of border crossing points between Canada and the continental United States depends upon the definition of border crossing points. There are many roads, lakes, rivers and fields that span the border and offer access to illegal smuggling operations.

(i) According to information provided by Revenue Canada, Customs, they operate 118 ports of entry, of which 66 are manned less than 24 hours per day.

(ii) Information from Revenue Canada, Customs indicates that 313 border crossings are unmanned. These consist of actual roadways crossings the border.

(c) (i) As reported to the RCMP, Revnue Canada, Customs seized illegally smuggled tobacco at border points of value of $1,324,127.00 for the period 1 January, 1991 to 11 December, 1991.

(ii) The Departments of Finance, Revenue Canada, Customs and Excise and the RCMP agree that an estimated 10 to 15 million cartons of the projected 18 million cartons of Canadian cigarettes exported annually to the United States return illegally to Canada.

2. The government is aware of representations by certain groups that an export tax be imposed on cigarettes as a means of discouraging smuggling of these products. This is one of a range of possible approaches to address this problem.

The government is currently addressing this issue through several mechanisms. In 1989, a number of measures designed to deter the smuggling of tobacco products were introduced. These measures included improving the legislative provisions relating to the marking of tobacco packages to more clearly identify duty and tax paid products for exports. The penalties imposed under the Excise Act for selling tobacco products on which excise duty and tax have not been paid were also increased substantially at that time. More recently the Minister of National Revenue has been working with respective police authorities in an effort to develop better strategies to counter the problem of cigarette smuggling.

Finally, the government has initiated a review of the legislation which imposes excise duties and taxes on tobacco products. One of the key aspects of this review will be to examine whether there are further steps that could be taken to reduce cigarette smuggling.

[*English*]

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

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, if Question No. 136 could be made an Order for Return, this return would be tabled immediately..

Madam Deputy Speaker: Is it the pleasure of the House that Question No. 136 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 136—**Mr. Samson**

For each fiscal year since 1989, what is the total dollar amount allocated for the payment of performance bonuses to executives and senior managers in (*a*) each government department (*b*) each Crown corporation (*c*) each federal agency?

Return tabled.

Supply

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, would you be so kind as to call Starred Question No. 166.

I ask that it be printed in *Hansard* as if read.

[*Text*]

Question 166—**Ms. Copps:**

With respect to the Crown investigation and subsequent provincial prosecution of the Honourable John Munro, what was the total cost incurred by the government for the investigation and prosecution including (*a*) all salaries for the (i) Solicitor General's Department (ii) RCMP (iii) judiciary (iv) Attorney General's Department (*b*) all materials (*c*) all travel and accomodation (*d*) all witnesses (*e*) all computer time?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Governement in the House of Commons): I am informed by the Department of Justice and the Ministry of the Solicitor General of Canada as follows:

The Department of Justice was not involved in the John Munro trial since it involved the provincial responsibilities on administration of justice. All questions concerning the costs of the trial would have to be directed to the provincial authorities in Ontario.

Royal Canadian Mounted Police

(a)	Salaries	$ 179,281.02
(b)	Materials	229.83
(c)	Travel & Accommodation	1,041,01
(d)	Witnesses	nil
(e)	Computer time	59,114.00
	Total	**$ 239,665.86**

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

Mr. Berger: Point of order, Madam Speaker. I would like to draw a question to the attention of the parliamentary secretary.

I received a reply recently to three questions, Nos. 148, 149 and 150, put on October 31. The difficulty is that I received the same answer to two different questions. There were two different questions and I received, in essence, the same answers to these two different questions.

I am wondering if I received the replies that were intended. Did the person replying to the question perhaps misunderstand the questions? Was it a clerical error?

I wonder if the parliamentary secretary could check into this and let me know.

Mr. Cooper: Madam Speaker, my notes indicate that the hon. member has not yet received an answer. Obviously there is some confusion here. What I will do is try to check out what his concerns are to see if we can get it corrected for him.

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Andre: Madam Speaker, I would like to formally designate this coming Monday as an allotted day for supply.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—UNEMPLOYMENT

The House resumed consideration of the motion of Mr. Nunziata (p. 7033).

Madam Deputy Speaker: When we started on members' declarations the hon. minister had the floor. He was answering a question. There are nine minutes left in the question and comment period.

[*Translation*]

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, you may recall that the hon. member's question was based on certain statistics. He wanted to compare Canada's performance with that of other OECD members.

• (1220)

The hon. member was right when he said that some OECD countries had unemployment rates that were either higher or lower than Canada's, but the important thing is that, according to this organization, in 1992 the

employment growth rate in Canada is expected to be 1.2 per cent which, as I said earlier, means 150,000 new jobs this year. And I think we should emphasize, that this is twice as high as the average rate for OECD countries, which happens to be around 0.6 per cent. Even in the United States employment growth is not expected to exceed 1 per cent. Furthermore, in 1992 and 1993 Canada is expected to outrank all other OECD countries on increases in the GNP. I realize this is cold comfort for someone who is unemployed in this country, but we must put the Canadian situation into its international perspective. Although we admit our economic situation is a difficult one, our position on the international scene reflects the sound economic management of the government I represent.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, my question is directed to the minister.

During the latter part of his remarks he put a tremendous emphasis on the government's program, the government's plan for retraining in this country. Quite frankly I agree with the latter part of his remarks and with everything he said in terms of the government's approach to retraining.

My problem is that as he was speaking one of the largest community centres in my riding, the Woodgreen community centre, sent me a fax.

I should say this community centre has been serving the community of downtown Toronto for many years. It has always managed its finances well, operating without a deficit. It has served the community. Over many years it has helped thousands of people in the community and it has a reputation for doing a very good job. Your own officials have recognized the centre publicly as being one of the better social support services in the city of Toronto.

I have been informed that your officials have met with officials at the centre and that all areas relating to retraining that are a part of the Woodgreen community centre are being cut back by 10 per cent. I am not saying that the budget is frozen at zero per cent; I am saying that they have been informed by your officials that the retraining budgets are being cut back.

My question to the minister is: Is this some kind of a mistake in the department? He stands up here today and puts all this emphasis on retraining and programs. Yet the actions in the marketplace seem to be different. I wonder if he could clarify that and give me some reassurance that his officials are not following his directives.

Mr. Valcourt: Madam Speaker, the hon. member raises an important question. This is the issue of what happens to some of the those initiatives that took place when the resources devoted to that kind of activity were more plentiful.

It is just impossible. I do not think there is any contradiction in saying that we have increased the amount of dollars that are going to go to training and retraining because of the Bill C-21 amendment to the UI Act.

We also have to live within the fiscal framework that this government has put in place. We cannot reduce the deficit by taking more dollars from the pockets of taxpayers in the form of taxes nor by increasing the borrowing of money to operate as a government.

There is no way that you can do that without having cutbacks. I am not talking here about cutbacks in training. I am talking about the department adjusting the resources it has to the activities that are more productive.

In the case that the hon. member mentioned, I am not aware of it, but I surely want to look at it. We have to let our fellow Canadians know that it is just impossible. There is no magic solution. You cannot reduce the deficit and keep on spending more.

I agree that there is a way to spend smarter, to spend more efficiently and this is what we are trying to do.

Madam Deputy Speaker: There were almost three minutes gone and I said nine. There were almost three minutes before Question Period, so we have gone through our normal 10 minutes of question and comments.

Mr. Mills: On a point of order, Madam Speaker. We are lucky to have the Minister of Employment and Immigration here today.

We do not know what his schedule is, if he plans on being around or not. We understand he has a busy schedule. Do you think that we can get unanimous consent of the House to allow time for the other questions that people may want to ask of the minister while he is here?

Madam Deputy Speaker: We may have the unanimous consent on one side, but it also depends on whether the hon. minister can or is able to stay, whether his schedule does allow him to spend a little more time in the House.

I do have to have unanimous consent. That depends on this side as well.

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: Resuming debate.

Mr. Nunziata: Let the record show that the minister is a coward.

Madam Deputy Speaker: Order, please. I am sure the hon. member for York South—Weston will want to withdraw that comment.

Mr. Nunziata: Yes, I do, but I find it rather strange, Madam Speaker, that the minister is not prepared to stay in the House and debate the issue of unemployment.

After all, he is the Minister of Employment and Immigration. Surely, given the devastating effect of unemployment on millions of Canadians—

Madam Deputy Speaker: Order. A withdrawal must be a withdrawal. I think the hon. member has been in this House long enough. He should know that a minister has many different things to do. If he cannot stay in the House after having been here since ten o'clock this morning, I think the hon. member could allow this to be, without making some comments that really are unacceptable.

I would like the hon. member to please just withdraw.

Mr. Nunziata: I will do that in deference to the Chair, Madam Speaker.

Madam Deputy Speaker: I thank the hon. member. We will resume debate.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, it is an unfortunate day for many people in this country.

It is particularly unfortunate for those in Atlantic Canada. We have seen today news of three major economic blows to Atlantic Canada.

• (1230)

We have seen first that the Hibernia project in Newfoundland, which was a project that certainly many people in Newfoundland thought was going to generate significant employment for themselves for the future, is frankly teetering on the very edge of collapse. There has been an announcement that lay-offs of 650 workers in Newfoundland, plus another 50 workers in Montreal will take place. That is out of a total work force of about 1,100. We are talking about a massive proportion of the work force seeing their jobs disappear.

We have also seen that 1,100 people are being affected at Fisheries Products International. The lay-offs which have been announced there are supposedly temporary, for three months. There have been temporary lay-offs announced previously by FPI which have extended well beyond the original period that was set out.

In addition to that, we see that 810 jobs are being transferred by Sears Canada from Halifax to Ontario. You might think that as an Ontario member I would feel pleased about that transfer of 810 jobs to Ontario.

But I have to say I am a member of Parliament who believes in national unity in this country and in fairness to the economic development opportunities of our country. To see a transfer from a place like Atlantic Canada where there are very serious economic problems and where levels of unemployment are far higher than in the province of Ontario, to the province of Ontario does not make economic sense. It does not make social sense. It does not make sense in terms of building unity in Canada.

We have a very serious problem in Atlantic Canada which has come out today. We have a very serious problem in other parts of the economy. Today as well, MacMillan Bloedel in British Columbia announced 400 lay-offs in that province.

We see reports today in the press which indicate that the level of welfare recipients in the city of Montreal has reached a level where one person in seven in the city of Montreal is on social assistance and one-third of them are children.

We see in the province of Ontario and in the manufacturing sector generally across this country, figures that came out yesterday which demonstrate that whatever the minister has chosen to get up and say this morning, the manufacturing sector in this country is facing continuing inexorable decline in the face of the policies that this government has put into effect.

Last year there was a 6 per cent drop in manufacturing jobs in the manufacturing sector throughout this country concentrated in central Canada, but also in British Columbia, Manitoba and in parts of Atlantic Canada.

What we see across this country is a series of devastating declines.

The government gets up and says, as the minister said this morning, that the recovery is under way. This morning the minister talked about predictions from the OECD and how Canada next year is going to grow so much better. We would have more faith in those kinds of predictions if we had not heard exactly the same thing from exactly the same ministers a year ago. They told us that recovery was under way, that we would be growing faster than any other part of the world.

What we have seen the past year is that the so-called recovery has meant an increase in unemployment, a decrease in output, a decline in the manufacturing sector and assaults on our resource sectors from Atlantic Canada to British Columbia.

There is no recovery here, no recovery whatsoever.

[*Translation*]

It is very sad to see what is happening in Montreal today. In one of Canada's major cities, one person out of seven is on welfare and one-third are children. We also heard today that people are fighting in Montreal's welfare offices. How can the government remain unmoved by scenes of such utter despair? When will this government finally do something to stimulate the economy, create jobs and revive the hopes of people in Montreal and across Canada, people in small towns in Quebec and Ontario, people in western Canada and the Atlantic provinces?

[*English*]

The minister spoke this morning. What did he say? I have talked already concerning his comments about the recovery being under way and his suggestion that the people on this side of the House are just raising these questions for some kind of rhetorical effect.

New Democrats have had two significant cross-country tours in the past year to try to get directly from the people of this country how they are hurting. If some of us speak with heat, if some of us speak with passion, about what is taking place in the economy it is not because we want to play to TV cameras or to play to the House of Commons. It is because we have heard these people, met these people throughout Canada, and they have told us how tough things are. We have heard them tell us how hope has been disappearing for their families. We heard people in Montreal, in Kitchener, in Guelph, in Windsor, in Saskatoon, in Vancouver, in Halifax, tell us about the increases in social welfare taking place, about what unemployment is doing to the fabric of their family life, to the fabric of community life within their societies.

• (1240)

Let me tell you, Madam Speaker, it hurts. We have to somehow get across to this government that people across the country are hurting. It is not a myth. It is not just something that shows up in the statistics. It is real live Canadians for whom the government has the responsibility of governing.

I am sorry it has the responsibility of governing them. I am sorry that it sits on the government's shoulders. Would that it sat on somebody else's shoulders, because it has not shown a sense of compassion and a sense of understanding the realities which so many people across this country are feeling.

We get up on our side of the House, and perhaps with some frustration, to speak about what we hear, what we see, what we know people are feeling across this country. The minister says: "You do not really care because you are being emotional". I am sorry, it is not possible for us to talk about the depth of the problem in this country without being emotional. It is not possible to talk about 1.5 million people being out of work, about one million on social welfare assistance across Canada without a deep sense of emotional hurt that this is happening in our country and a deep sense of anger that this government, which has been elected to take decisions, is not prepared to give the leadership that will show us some hope and direction for the future in this country.

The minister talked in his speech about: "The suggestion that you are making for recovery in this country, all that means is more taxes". If we get people back to work, if we stop having to pay for people on social assistance, if we stop having to pay the $30 billion that is now being spent on unemployment insurance, that saves money. That saves resources that are being spent, not on make-work projects but on completely wasteful allocations so far as building things for the future in this country.

It is keeping people alive. It is providing people with some kind of stop-gap measure in the face of deep economic problems. It is not giving us any kind of even medium term solution.

I have to say it is remarkable to hear this government talk about how terrible it is to raise taxes when this very government and the very minister who was speaking to the House brought into effect an increase in unemployment insurance premiums just six weeks ago here in Canada. It was a very significant increase of 7 per cent in unemployment insurance, brought in by this very minister who says: "It is the opposition which wants to increase taxes". It is not the opposition which wants to increase taxes; it is this government that has increased taxes.

The minister talks about the causes of our great national debt. I wish that he would talk about the unanimous report of the finance committee of this House of Commons. It is a committee which has a Conservative majority. Liberal and New Democrat members are on the committee as well. That committee came up with a unanimous report saying that yes, the deficit is a problem and the government should tighten up in ways to see to it that we do not increase that deficit.

What was the government's response to that unanimous report? It rejected the three or four specific ways in which the finance committee unanimously suggested tightening things up. So much for the reality of this government's commitment to doing something about the deficit. It is a not a reality which really exists.

One of the recommendations, for instance, was that there should be no more possibility for tax giveaways without them being compensated for by reallocations in the rest of the budget. Did the government say: "Yes, that makes sense. If we give money away through taxes, we have to make sure the deficit does not go up by reallocating money from other parts of the budget"? Did it say yes to that sensible suggestion? No, it said no. It tells us that what it really cares about is scoring partisan points rather than trying to deal with the serious difficulties of unemployment, of debt and of deficit in this country.

There are four New Democrat governments in this country provincially and those four governments are trying to deal seriously, with a sense of reality, with the problems of unemployment and of deficit. They have recognized that you cannot increase your deficit, that you cannot create a situation in which in a world economy, the world money market decides that you are a basket case. Therefore, the deficit must be dealt with in a responsible way.

It is tough, very tough. Hard choices have to be made but they are being made by New Democrat governments: tough choices to reallocate expenditure rather than increase deficits so as to see to it that we get jobs in this country so that we expand employment in this country, so that we give hope to people in this country. That is what we ask for from this government, a serious non-partisan sense of caring for the hundreds of thousands of Canadians who are without work.

I am just sorry that the minister this morning has not demonstrated that sense of non-partisan compassion and sensible economic policy making which is so essential to solving our economic problems in the future.

• (1250)

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I listened attentively to the member from the New Democratic Party. I take him at his word when he talks about New Democratic governments trying to take seriously the sense of reality out there and the sense of reality *vis-à-vis* the unemployment problems we have and the reality of the deficit.

I have a very simple request of this member. For two weeks in a row I have been presenting to members of the New Democratic Party a project in the province of Ontario north of Toronto that will employ close to 12,000 people in permanent jobs, a project that will create close to 5,000 affordable homes. It is the first ever green town development in north America using recycled materials, all being organized and reviewed by some of the most sophisticated environmental organizations. It is a project that meets all the various requirements of the farming community, agriculture, et cetera. It is not asking the province of Ontario for one nickel.

The delays in processing at Queen's Park are not only costing the investors millions of dollars, but it is also missed opportunity to deal with the problem of putting people back to work.

My simple question to the member is this: Will he take this proposal which has been delivered by many others, including myself, to the premier of Ontario, the Hon. Bob Rae, and will he use his forces as a member of the New Democratic Party to see if he can get some movement on this project? I as a member of the opposition have tried through fax, through phone, through letter, and have not been able to get a response for months. Will he do that for me?

Mr. Langdon: Madam Speaker, I first have to say, of course, that I am not a member of cabinet of the provincial Government of Ontario. I certainly can give my assurance to my colleague that I would be very interested in looking at the proposal he talks about. Certainly, as he describes it, it sounds like something that deserves careful scrutiny and review.

Once I have had a chance to look at it and to talk with the member for Broadview—Greenwood about the proposal, I would be quite prepared to talk with the cabinet ministers responsible at Queen's Park and try to determine the issue.

I do want to make a brief comment, if I could. The member referred to the delays in the decision-making process in the Ontario government. For the Ontario New Democrat government which has been in power for about 18 months now, this has been a continuing and serious source of frustration.

On taking power as a party, we found ourselves faced with a mammoth bureaucracy which had been created over a long period of power. Frankly some people have blamed it on the Liberals. The Conservatives continually blame what took place in Ontario in the 1980s on the Liberal government of Premier David Peterson. In fact one should look much more carefully at the Conservative governments which were in power provincially for a much longer period of time and allowed this set of bureaucratic agencies and ministries to develop which have made it very difficult to get rapid approvals for projects to take place. However, what is taking place in Ontario is an attempt to try to sort these things out.

For instance, in the case of the ministry of municipal affairs, there is a very strong effort being put into place to try to see that different levels of government have clear levels of responsibility. It is called disentanglement. It is very important in terms of seeing that projects do go forward quickly.

[*Translation*]

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Madam Speaker, I have been listening to these comments all morning, and I must say that in this kind of debate I am always surprised to hear the kind of comments I just heard from the hon. member, especially when he says that today Canada has four NDP governments. I would refer him to what is happening today under those NDP governments, now that the latest NDP arrival in British Columbia has said that a relatively conservative—the word is well chosen—approach was needed to deal with the economy.

This means that thinking you can spend your way out and raise a projected deficit of $8 or $9 billion to $14 or $15 billion, as estimated in Ontario, does nothing to solve the problem. We have said many times that this means mortgaging the future of our children and our grandchildren.

Spending is the easiest thing in the world. We had a sample of that for many years. What we are trying to do is take measures that are more responsible,—perhaps less popular, but more responsible. I find it difficult to accept that a representative of a party that was opposed to the Hibernia project should blame us, and that has been a constant refrain since this morning, for problems that are actually due to the fact that certain companies have withdrawn from the project. It makes it harder for us to continue the project, but we are being blamed, while they voted against the project.

We are accused of not doing enough for the unemployed, but when we tabled Bill C-21 that would maximize the use of the unemployment insurance fund to help train our labour force and create permanent jobs, they voted against the bill.

Earlier they said this should not be a partisan debate. However, when we manage to corner them on specific aspects of their policy, they say: "Don't make this a political football".

There should not a double standard in the House. I hope the hon. member will realize that any political agenda must be based above all on the confidence of citizens in an economic policy that is stable and does not

mortgage the future of our children and our grandchildren.

I listened carefully to what was said by the hon. member for York South—Weston and previous speakers. I think we must be careful. At a time when it is difficult for people who are out looking for jobs, we must make a concerted effort to find stable jobs in an economy that is going toward globalization. We should not try to convince people it depends on which political party is in power and try—I will use the hon. member's own words—to make political points with this issue.

• (1300)

[*English*]

Mr. Langdon: Madam Speaker, first let me make it clear with respect to Hibernia that our opposition was not to the project, Hibernia. It was to the massive expenditures which this government was prepared to make.

As the minister said, it is very easy to spend. That is what this government was doing with respect to Hibernia. The proper course which should have been taken, which would have led to a much more sensible project that would not have collapsed today, would have been to take Petro-Canada, the national oil company which all Canadians had invested in, and see to it that it used the resources it had generated from the people of Canada to ensure that this oil resource was developed.

With respect to Bill C-21, again our objection was not to training. It was paying for training out of the pockets of the unemployed. That is what the minister has to realize. If we are going to take training seriously in this country and get a work force that can really take us into the 21st century, we have to do it in a way that is fair and just.

Finally—

[*Translation*]

Madam Deputy Speaker: I am sorry to interrupt the hon. member but the period for questions and comments has expired.

[*English*]

Mr. Langdon: On a point of order, Madam Speaker. It seems to me if the minister is going to raise a number of points that I should at least have a chance to deal quickly with each of the three points he has put forward.

Madam Deputy Speaker: The Speaker is in the hands of the House. There was a first question and a very long comment. The hon. minister made a short comment. We are now into 12 minutes of questions and comments.

I am quite prepared to listen to the hon. member for another minute or two, or ten or sixty. Does the House agree? If there is unanimous consent to have the hon. member continue his comment, I am quite prepared to do so.

Mr. Blais: On the same point of order, Madam Speaker. I think after a speech like the hon. minister has given, we should have maybe 20 or 30 minutes to answer all the points he raised in his question so that it is fair for everybody. I had just a minute or two to answer and make some comments on that. I think it has to be fair for everybody.

Madam Deputy Speaker: I take for granted that there is not unanimous consent to continue over and above.

Mr. Langdon: On a point of order, Madam Speaker. The usual procedure is to actually ask the House: Is there unanimous consent? I certainly did not hear anybody say "No".

Madam Deputy Speaker: I did ask. In his intervention, which I listened to carefully, I thought I heard a reluctance, if not a total "no" from the hon. minister which is why I am calling, on debate. I think the hon. minister will agree that this is what he said.

Mr. Langdon: On a point of order, Madam Speaker. Do I understand that the minister does not want an answer to the questions that he posed?

Madam Deputy Speaker: Resuming debate.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I first of all want to compliment my colleague from York South—Weston for choosing this topic today.

Quite frankly most of us would agree in this House that the people in our ridings believe this is the number one issue facing this country today, namely getting people back to work.

I am going to try to take a little different tact in my remarks today.

I listened to the Minister of Employment and Immigration earlier today and I agree with his remarks that we are dealing with a restructuring of all the economies of the different countries in the world. He is absolutely correct. I do not debate that point with him.

I debate with him when he speaks of his commitment to retraining. I do not see it happening. I gave as a specific example the Woodgreen community centre in my riding. It is one of the most productive community centres in the whole city. Its track record in serving training needs throughout the community has been noted by many agencies as being superior. Yet, it is not only being frozen in terms of its resources to allow it to continue its service to the community but it is being cut back by 10 per cent.

There is a question of trust here. He even said in his answer: "Oh, well, I have to sort of look at these resource allocations again". I hope he will follow through and review the Woodgreen community centre because it is a very important contributor to the community.

So often we forget that when times are tough governance is supposed to be there for those who are most in need. Governance is not for those who do not need help. It is for those who are most disadvantaged and most in need.

It seems to me that the minister must review the Woodgreen request in that light.

The minister also made the point that we on this side of the House were not challenging him with new ideas or ways to advance this debate on putting people back to work. I really take exception to that point. I take exception because my colleague, the member for York—South Weston who initiated this debate on behalf of the Liberal Party of Canada, and our leader issued a challenge to the government. It is not a partisan challenge, let's face it. No party has a lock on how to put people back to work. All of us working together will get this job done, especially in light of the point the minister made that this is not a problem unique to Canada. This is a problem the whole world is facing.

Quite frankly I did not think that it was a good response to the idea of encouraging even further debate and exploring ideas.

There are lots of ideas out there and in here on how to put Canadians back to work. To begin with, I want to refer specifically to a document entitled *Work For Tomorrow—Employment Opportunities for the 1980s*. This was the result of a parliamentary task force in place during the early 1980s. This was a task force composed of all members of the House of Commons. This was a task force that worked for close to two years during the last major recession we had in this country. After listening to successful people from all over the country who were weathering that terrible recession which we as a government were involved with, we as Liberals—we do not run away from that—after listening to people from all over the world and after listening to ways to put people back to work, the task force came forward with this document with 186 different ideas.

• (1310)

I recommend this document not only to all parliamentarians in this House but to all parliamentarians in every legislature throughout this nation. It includes 186 ideas put together by members of Parliament from all sides of the House, ideas that came to them from people from coast to coast, in every sector of the economy and every region of the country. So often we try to reinvent the wheel in this place. It is not necessary. This document has some ideas that are as good today as they were then. So often we push paper and create work when some of the basic answers are right before us.

I challenge the minister of employment to review and reissue this document to all parliamentarians. This is what Canadians are bugged about. They do not get the sense that we are doing anything to address the problems in an immediate way. It is delay, delay, wait and see. In terms of dealing in hope it is just the exact opposite. My colleague from York South—Weston said to the government today: "Let us continue to debate this issue of how we put people back to work". We are not talking about fuelling the deficit or adding to the debt. We are talking about specific ideas that we can discuss. If we initiate discussions right away, with the government's will, then all of a sudden hope and confidence are back in the marketplace.

The government is always focused on the deficit and the debt of this nation. It should not try to create the illusion that government members are the only people in this country who care about deficit and debt. It is how you manage that deficit, how you manage that debt which is the key point. Quite frankly the government is overestimating the debt of this country by $50 billion because it never takes into account the reserves the Governor of the Bank of Canada has. The Bank of Canada is part of the Government of Canada.

It has used that scare tactic to the point that everybody is afraid to take a chance. In terms of creativity, this is what the government seems to be lacking. Let us take the 900,000 entrepreneurs that exist in this country. Would it not be much better to give an incentive to the entrepreneurs of this country to put people on apprenticeship programs, train them, and educate them in whatever sector the entrepreneur is in rather than pay them to do unproductive things like stay at home?

There is no cost to the Treasury because of that. I support the Leader of the New Democratic Party, who has been trying to put forward this idea for the last two weeks. There has never been a response to it. We are giving someone who is young—it does not matter what age—$10,000 to $12,000 from unemployment insurance. Would it not be better to give that $10,000 to $12,000 to someone who is an entrepreneur, to shift that person from an unproductive capacity to a productive capacity? It seems pretty basic to me.

There are all kinds of other opportunities which do not cause an assault on the deficit or debt. I mentioned earlier to the NDP a project just north of Toronto that would create almost immediately seven or eight thousand jobs within eight months, close to double that, without any draw on the treasury of Ontario or the Treasury of Canada.

The process is slowing it down. Canadians are fed up about the layers of government and the process in this country which slow down the decisions that need to be taken for projects that do not even cost the Treasury any money. It is so amazing. The government can sit here and say: "Deficit, deficit, deficit, deficit, debt". Yet, it never thinks of the debt the private sector or industry has and the added deficit and debt the private sector takes on because of the bureaucratic delays and the crazy decision-making process that happens at the various levels of government.

I mentioned yesterday, and this is a challenge to all public servants, that we have to review our process of putting things through the system because that will put people back to work and will create more confidence in the country.

There is another thing. I have been saying for the last two years that we must become a nation that measures its strength by the mouths we feed and the environment we protect.

I was in the Middle East two weeks ago. I was in Amman, Jordan and met with officials from the Embassy of Iraq. We had several hours of meetings concerning Canada sending humanitarian aid, food assistance and medical supplies to Iraq under the auspices of the United Nations.

The warmth of the feelings that the people in the Middle East have toward Canada is incredible. I have in my hands an order from the Government of Iraq for close to 140,000 tonnes of food. This is food that it is willing to pay for, that will lead to a renewal of a relationship under the auspices of the United Nations. This will lead from food to medical supplies to environmental technology. It will lead to a situation in which Canada can create all kinds of new jobs for its factories by taking advantage of the billions of dollars of trade opportunities in the Middle East.

Simply put, we should be developing ways to assist our entrepreneurs to go to the Middle East right now to take advantage of that good will. When I say billions of dollars I mean that literally. One cannot believe the good will that exists in the Middle East toward Canada. However, are we over there? Very few Canadian businessmen are over there. A few of the larger ones are, but a lot of our smaller and medium sized operators have a very difficult time in getting there.

Why can we not use the Department of National Defence plane which goes every Thursday and every Tuesday to Lahr, Germany, load it up with Canadian entrepreneurs and their order pads, and send them throughout Europe and into the Middle East and give them a boost? That does not cost the Treasury of Canada anything.

When they come home with those orders that will get our factories working again. These are the things that put people to work. This is not saying to the minister of

employment or the Minister of Finance that we should spend money, blow up the deficit, or add more to the debt. These are basic ideas. The Americans are over there doing it.

Somehow we always let the Americans out-hustle us. Hustle in this country seems to be almost a pejorative term. We must get over that feeling. As legislators and people who are here to assist, support and give leadership to the fight to put people back to work we must use government resources to inject some confidence into our business people so they can take advantage of that opportunity.

I know of a particular group of businessmen who went over to Amman, Jordan three weeks ago and on their second trip were short-listed on a $40 million potash deal. That is unbelievable. We have the best technology in Canada in the province of Saskatchewan and they were short-listed on their second visit.

These are the kinds of things we must do.

The shopping list of business opportunities abroad is so long but we just do not seem to be taking advantage of it.

Look at the realm of tourism. That is where government advertising should be right now. All government budgets *vis-à-vis* communication and advertising should be shifted to support a welcome mat "Come to Canada". In terms of foreign exchange and spin-off effect, we will not get a better sector than tourism.

• (1320)

What has this government been doing in that area? I know it has been doing something, but quite frankly I am sure that it realizes and accepts the fact that it could do a lot better. That is where I am coming from. This is not trying to take a partisan shot at the government. It is just trying to get it to put a tight focus on the urgency that as the nation's boardroom we have to make this project of putting people back to work the number one priority.

Maybe my colleague from York South-Weston challenges the wrong way in trying to suggest that maybe we should take a page from the legislatures in the United States and go through a weekend or a couple of nights putting a litany of ideas forward that people can take advantage of. I think the government is missing an opportunity by not taking advantage of it.

I suggest to the officials in the department of employment that they have to go back over some of the programs that the department has used in the past which have been successful. When my colleague, the member for Winnipeg South Centre, was minister responsible for employment during the very tough recession of 1981-82, he had a fabulous program called NEED. On evaluation, it turned out to be one of the most successful programs that the Government of Canada ever implemented.

I say to officials in the department of employment: "Do not be bashful in reissuing an idea like that to your political fathers right now. The country is desperate for ideas that will put people back to work".

I also challenge the officials in the department of employment to review the proposal that I put to the minister a month ago, Careers 91, the project of Peter Angelou from my riding. Young university students went out and found by knocking on doors trying to find jobs that there were actually more jobs out there than actually listed. They put a book together of all the human resource vice-presidents of close to 200 corporations in Ontario and what their requirements are in terms of filing for jobs, asking for jobs or whatever. This project which actually helps people find work without any expense to the taxpayer. That book produced by a couple of young entrepreneurs in the private sector should be supported by the department. Quite frankly I hope my words are not falling on deaf ears.

I repeat that we have lots of opportunity in this country to serve the world through food production, through environmental technology and lots of opportunity because of the phenomenal good will that we as a nation have throughout the world.

In closing, I hope we can prick the conscience of the minister of employment to revisit the idea of my colleague from York South—Weston that we have a major debating period in this House on ideas on how we can put people back to work for everyone's sake.

Mr. John Nunziata (York South—Weston): Madam Speaker, I thank my friend and colleague for his submissions. I could not help but think as I was listening to the hon. member for Broadview—Greenwood what an abso-

lute treat it would be if he and the minister of employment were to switch places.

If you compare the two speeches by my hon. friend and the minister of employment, you see in those two speeches the difference between what a Liberal government would do and what the Conservative government is doing. That is, the Conservative government is content to do nothing. A Liberal government would be prepared to develop ideas and to call upon all members of the House regardless of their political stripe to come up with ideas, to come up with an action plan to put people back to work.

The minister of employment—the minister of unemployment because all he is presiding over is unemployment—says that he refuses to take into consideration the Liberal economic recovery plan because it is going to cost money and add to the deficit and the debt. That is the position of the Government of Canada.

My friend from Broadview—Greenwood has pointed out ways in which jobs can be created without adding to the deficit or the debt. My question to my friend is this: Would he agree that there was a cost to unemployment in the first 11 months of 1991 of $16.3 billion? It was paid to Canadians to do nothing. That is the cost. It was $16.3 billion in the first 11 months. Over all, over $20 billion was paid to people to do nothing.

Would my friend agree that the minister really does not know what he is talking about when he says that there is no cost to unemployment when in fact there is a direct cost in terms of dollars and cents. There is also a tremendous indirect cost in terms of the idle production capacity that exists.

Mr. Mills: Mr. Speaker, I thank my colleague from York South—Weston for that insightful question.

Quite frankly it is not just the $20 billion that he mentions that comes from the unemployment insurance fund. There is a further $10 billion from the welfare fund. That is $30 billion and no productivity, not to mention the wear and tear on family life, health care, the lack of activity in the marketplace.

There is only one way to attack the deficit and debt of this nation, and that is through full employment. Through full employment, we get a return. Can you imagine $30 billion and no productivity? Imagine converting that, whether it be into training, a youth corps for Canada, subsidizing with the private sector, or joint venture training programs in terms of training.

I cannot imagine a Conservative on that side of the House who would not rather have that money going into productive output than the current situation. For the love of me, I say to my colleague for York South—Weston, I cannot understand why the lack of political will exists when it seemed to me that was traditionally a quality of the Conservative Party.

The New Democratic Party in the province of Ontario has a philosophy whereby it does not mind the welfare scheme of things. I am a little bit amazed that the government is not going back to its roots.

Mr. Nunziata: Mr. Speaker, I would like to remind hon. members of the Liberal emergency plan that was announced by our leader several weeks ago. It is a plan that is meant to deal with an emergency situation: 1.5 million Canadians unemployed, 2.2 million Canadians on welfare. We believe that emergency measures are necessary. We need long-term measures, but we also need some short-term measures to kick-start the economy.

• (1330)

There were five points in the program. I would like my friend from Broadview—Greenwood to comment briefly on the over-all plan and state his views on the effect the plan would have on the Canadian economy. One point was to reduce the minimum down payment for first-time home buyers from 10 per cent to 5 per cent. Another was to allow the use of RRSP funds for the purchase of a new home. The third was a shared infrastructure program to rebuild our roads, sewers and sidewalks. The fourth was an intensified training program, and the fifth was some emergency federal funding to food banks across the country.

Can the hon. member indicate what impact the Liberal Party emergency plan would have on the Canadian economy in the short run?

Mr. Mills: Mr. Speaker, in reply to my colleague from York South—Weston, first of all every one of those points has merit. I support every one of them as I know most members of this House do.

Let us focus on just one, job retraining, where there is a residual effect. Imagine if the one million entrepreneurs that exist each hired one person. In other words, let us not create a lot of work projects just for the sake of work. We are not suggesting that. Let us use that resource of entrepreneurship in this country to train and

employ at the same time. If you spread the load, with a million businesses each hiring one person, which could be done overnight, that program could be implemented literally within a week if the government had the will and wanted to do it. That would not cost the taxpayer one red nickel. You are taking people who otherwise would be receiving a UI cheque or a welfare cheque and putting them into the work force. You have them doing something productive. You are retraining them. There is a long-term asset there for this country.

I say to my colleague from York South—Weston that all we can do is take days like today and continue to press the nerve. Maybe the people of Canada are going to get a big surprise next week or the following week. The Minister of Finance may all of a sudden on budget night implement all these things. Maybe Canadians will get a surprise in the next two weeks. God, I hope so.

Mr. Nunziata: I would like the member for Broadview—Greenwood to comment on the loss of manufacturing jobs, in Ontario in particular, and what the NDP government, the Bob White government at Queen's Park, is doing to business in the province of Ontario. What will happen if the proposed labour laws are adopted by the province of Ontario, the Bob White government at Queen's Park? What impact will that have on manufacturing jobs in Ontario?

Mr. Mills: I will be very short, Mr. Speaker, and I appreciate you giving us that extra minute.

The bottom line is that Bob Rae has made promise, after promise, after promise, after promise, but nothing happens in the province of Ontario. Nothing is going on there. It is the biggest wheel-spinning exercise that we have ever seen in the province. That is not a cheap shot. It is just simple fact.

Do you know what I think we should do with the crazy things that are going on with free trade, especially in the automotive industry? I think we should get behind some of our best auto parts people and we should get our own Canada car. We should buy out one of the factories in Windsor and start making a car for Canada so that we can develop the same kind of pride in manufacturing as the Germans and the Japanese. Let us have a Canadian car that we can export all over the world. With the good will that we have, we would probably do a lot better than what is currently happening.

Mr. René Soetens (Ontario): Mr. Speaker, it is a pleasure to rise to participate in the resolution before the House today. I certainly respect the views of the member who has just spoken. He has given some eloquent ideas and I am sure some of them warrant some action.

On the other hand, I sit here, listening to the debate that goes on, on the other side. Members of the Liberal Party rise and say that what the member for Broadview—Greenwood is saying is really the view of the Liberal Party. Are they out to lunch? That is no more the view of the Liberal Party than the view of the NDP on some of these issues.

If that had been the view of the Liberals, when they had a chance to govern they would have done a much better job. We only need to look back in the recent past. Members opposite, for some reason, have wanted to drag the NDP government of the province of Ontario into this debate. I will share with them some very basic facts so they can understand that whether it is Liberal or NDP, it really does not matter.

Let us go back to 1982 in the province of Ontario. At that time, the over-all budget of the province was some $17 billion. We did not have a crisis in health care. We did not have a problem with the highways. We did not have a problem with all kinds of portable classrooms stuck out behind the schools. We did not have a problem within the public service. The fact of the matter is, generally speaking, the province of Ontario was running pretty well.

We take that $17-odd billion and inflate it 10 years later so that today we should be spending about $27 billion or $28 billion. If we add to that the fact that there has been some population growth in Ontario, which provides additional need by the people who have moved into the province one way or the other, that cost is there. In fact, inflate the number to about $32 billion.

Lo and behold, in the province of Ontario today, thanks to the efforts of the Liberal government of David Peterson and the NDP government of Bob Rae, we are now spending $53 billion, some $20 billion more than

any reasonable inflationary number. What has Ontario to show for it?

We know what Ontario has to show for it. We have a declining infrastructure when it comes to highways and services. We have a desperate situation in health care and we have a desperate situation in the schools. By using their economic policies in a province that was very successful 10 years ago, the opposition parties have managed to run it down quite dramatically.

We even have them ask: "What do you think about this labour policy the NDP is putting in place?" Of course, it is not a very positive thing, but that is only in the future. We are talking about the present and the past when we talk about their policies. We do not need to look too far to see just what it is that would happen federally should the Liberal or NDP members have their way on this particular resolution before the House today.

There is no doubt that unemployment is high; higher than I think anybody in this House would like to see it. We are aware that it creates a hardship. Every member of the government, and I believe every member of the opposition as well, is committed to finding ways of getting Canadians back to work. We on the government side have an action plan and we are following it to try to help Canadians get back into the work force.

However, opposition members would like Canadians to believe that there are magic solutions; that they can create jobs instantly. They prefer to ignore the fact that there is only one way to create the sort of jobs that provide lasting opportunities for personal security and prosperity, and that is by creating the conditions for renewed private sector investment. The member from Broadview—Greenwood talked about some of those kinds of things. Certainly we all acknowledge it is the private sector that has to create the jobs, has to start to employ the people, and it needs the conditions to make that happen.

Of course opposition members have a slightly different view. They want the government to buy the jobs for Canadians, even if it means adding quite substantially to our national debt. They do not really care that by adding debt they ultimately are talking about a heavier tax burden for all Canadians, for the workers of our country throughout Canada.

• (1340)

The Canada of 1992 cannot afford those sorts of silly-putty solutions, if I can describe them as such. The last time the federal government tried to borrow and spend its way out of a recession was back in 1982 when our deficit jumped from some $15.5 billion to some $38 billion over four years and our national debt doubled.

To this day it has caused a problem for all levels of government, not just the federal government, although we have to deal with that debt and the interest on that debt that keeps accumulating. It influences interest rates throughout this country. It influences the ability of provincial governments to borrow. It influences the ability of private citizens to borrow, of corporations to borrow, and ultimately the profitability of all of those organizations.

It does not come as a surprise that they would like to forget the past because they will say that was prior to 1984. Of course that is why I started out with my brief example of the province of Ontario, because that was not 1984, that is today.

They obviously think Canadians should ignore the policy framework that our government has put in place and that we should just forget about it. Our policy is for substantial sustained non-inflationary growth later this year. We believe that is going to happen. We think we have put in place the proper fundamentals to make that happen and it is through that kind of sustained growth that in fact unemployment will come down.

We can say that is my partisan view of the subject and, yes, I am partisan. That is my view of the subject. But there are others who have similar thoughts and they are independent of government, both independent here in Canada and outside Canada. They expect Canada to report one of the strongest growth rates this year of any major or industrial country around the world. Just yesterday the Conference Board of Canada released its estimate that the economy will grow by some 3.2 per cent this year, which will be the highest among the G-7 group of nations.

The Organization of Economic Co-Operation and Development expects Canada to record the strongest growth rate this year of all of its 24 member countries.

These are positive forecasts and they are not just the result of a do-nothing government. On the contrary, they show that the policy framework that we have been putting in place with, all of the opposition that the folks on the other side can throw at us, is delivering results.

In last year's budget we said that we would lower interest rates over the long term and that those lower interest rates were key to sustainable economic recovery and job creation. To get those rates down and, more important, to keep them down, it is essential to reduce and ultimately eliminate inflation and inflationary expectations.

We took action to meet that goal. We established firm, realistic targets. We said that by the end of 1992 we would have inflation down to 3 per cent and that we would look for 2 per cent by the middle of the decade.

We seem to be achieving those targets. We still have another three years to go of course before we get to the middle of the decade, but the fact of the matter is that the Government of Canada and the Bank of Canada are committed to this price stability and we do in fact appear to be achieving those targets.

Second, we knew that the government had to take the lead in restraining government wages and salaries to assist the process of inflation reduction. I am sure all Canadians can remember this great debate, if I can describe it as such, that took place last summer and fall when in fact we were trying to bring through the House legislation to implement our wage policies, opposed by the opposition and of course opposed by the various public sector labour unions in this country.

Is it not interesting that here we are, having taken that very firm policy on labour demands, contrary to the one that was taken in the province of Ontario? It is now the province of Ontario that is telling its public sector employees they are going to have to live with 1 per cent. I should point out that they have encouraged spending controls. Across Canada the various premiers at the premiers' conference last week encouraged spending controls. The fact of the matter is here we are as a government in fact providing the very leadership for which the opposition has been asking. We have been providing that leadership because we know that the solution is a difficult one, but it is there in front of us.

We also knew that we had to maintain our commitments through concrete actions to keep federal government finances on track and a balanced budget by the middle of the 1990s. I do not know what is going to be in the budget, which undoubtedly will be coming forward in the next two or three weeks, but I hope that the government continues to commit itself to the track that we have been on for the last couple of years.

The fact is, if we are to keep inflation and interest rates under control and bring them down further, we cannot allow government deficits to fuel inflationary expectations. Nor can we allow inflation or the deficit to eat up scarce funds in the capital markets.

That is why we took the wide-ranging steps to control government spending that I have mentioned. Not only that, we promised that we would bring forward a bill that restricted government's ability to spend. I am happy to note that today in the House the finance minister in fact introduced that bill, after extensive study by the finance committee, which restricts the government's ability to spend money. That is also why, as the finance minister and the President of the Treasury Board announced two weeks ago, we were freezing all discretionary spending through the balance of this budget year and additional hiring of any personnel that may be associated with it.

Even in face of greater than expected economic weakness, we are not going to let the deficit soar the way it did just 10 years ago when we found ourselves in a different circumstance.

Let me remind the House of some other positive economic developments that should renew our confidence in Canada's economic prospects in coming months. Despite the recent blip in the Bank of Canada rate, interest rates are down dramatically from where they were in May 1990. The commercial bank prime rate is now 7.5 per cent and that is almost half of what it was in May 1990 and the lowest rate since 1973.

Mortgage rates have also fallen substantially. In one year the mortgage rate has fallen 6 per cent. What does it mean? It means that a family carrying a mortgage of $75,000 amortized over 25 years is saving $300 a month on its mortgage payments.

In my riding we have had over the last 10 years an extensive amount of new housing construction. It has been a very active riding. I know that $75,000 mortgages are very common. I have heard from numerous constituents that they have been able to refinance their mort-

gages and they are talking about the money they are saving, that they have never had mortgage rates as low as they have them today. Members have to appreciate that my riding has many young families. They were not here in the 1950s and 1960s when you could get a 25-year mortgage for 6 per cent or whatever the rate was. They were not old enough to be in the housing market, but they are in the housing market now. They have mortgages now and they know they are saving money now on their mortgage payments.

Underlying this progress is the substantial turnaround we have seen on inflation. The year over year increase in the Consumer Price Index for last year was 3.8 per cent, just half of what it was at the start of the year. When this January's number comes out, I would not be surprised if it was even lower and we will get it down to 2 per cent or maybe even a little less.

I would also point out that the Canadian dollar has fallen. I am aware that it has been a problem. It certainly is a problem for the Canadian industry when the dollar is in the 87-cent and 88-cent range. For a very brief period it hit 89 cents. That certainly is a problem for Canadian industry, but I am happy to see that it has in fact come down and hopefully through actions we will be able to establish a very stable price level on the Canadian dollar, certainly in the range where it is now and not escalating back to those higher levels. Once you have that lower dollar, there will be a stimulus because Canadian industry will be more competitive in two factors: in its exports, but also against imports. That is a double-edged sword and I believe that lower dollar will also help create jobs in this country.

Those are just some of the items that we have dealt with. There was mention of the five-point program and some of the recommendations that the Liberal Party brought forward such as the CMHC insured mortgage and being able to get into the housing market with a 5 per cent down payment. I know the Liberals say they recommended it. Yes, they did, but it was not necessarily their idea. This has been very publicly talked about for some four or five months. All people on all sides of the House thought that was a good idea, so we announced it. We have implemented that program. Housing is important as an engine of the Canadian economy. I hope that we will be successful in carrying it on.

• (1350)

One of the points the hon. member for Broadview—Greenwood made was the fact that there are all kinds of regulations delaying housing starts. I can sympathize fully with some of the points he made. Similarly in my riding just east of Toronto there is a pent-up demand. The problem is that we need a water filtration plant built so that the new housing will have drinking water. What is the hold-up? It is the same hold-up he talked about.

Developers are sitting there. They have their $10 million. They are ready to build. It is engineered. It is designed. It has a location. Lo and behold, it is sitting on some minister's desk waiting for approval which should have been granted over a year ago.

An hon. member: Are those ministers at Queen's Park?

Mr. Soetens: Yes, those minister are at Queen's Park. I am glad you asked me to clarify that. I would hate for the people to think that it was ministers in Ottawa who were the problem. In fact, it is not.

An hon. member: They are NDP then.

Mr. Soetens: They are from the socialist ilk, NDP in nature. Yes.

There are other ideas. There are things that can be done that would help the economy get going if some other people would also make some important decisions.

Of course, we also expect consumer spending to respond to lower interest rates in the near future. In fact, in the Canadian scenario, certainly in comparison to the United States scenario, you will find that per capita Canadians have more money on deposit in banks. Their debt on their credit cards is lower per capita than in the United State. I am not encouraging people to think about debt. Sometimes when you want to buy something, if you cannot immediately afford it today but you can afford the payments, you ought to get on with the decision. Certainly with the inflationary expectations, the price structures that we have been working with, consumers will find as the year progresses that they will be in a much better position to spend their money much more freely.

We have taken a number of steps. I have talked about a number of views on how we are going to bring down unemployment. It is an action based on a basic fact of economic life. For a trade dependent nation like Canada, you maintain jobs and you create new ones only to the extent that you can compete successfully in the global marketplace. When 35 per cent of what we do in this country is exported, we cannot put out of our minds the difficult circumstances that exist in other parts of the world, whether it is the United States, Europe, Japan, the Far East or the Middle East. All of these things have an impact.

If we keep inflation under control, if we keep our economic arguments going in the correct direction and keep the fundamentals correct, Canadian exporters will be able to do a much better job.

I realize I am running out of time, but there is another aspect. It is really the over-all confidence that Canadians have in the process we are in. Canadians will find with the budget that is coming forward in the next few weeks that the government has a very clear plan. We are going to continue on that plan. Canadians will have confidence that we know what we are doing. When they have that confidence, they will carry on to fulfil their part in the over-all scheme of getting the Canadian economy going.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I listened as carefully as I could to the member's talk. I wonder if he would tell the House if it is true, as I believe it is, that between June 1989 and October 1991, 461,000 manufacturing jobs, about 12.1 per cent of our total manufacturing jobs, disappeared and fully 150,000 of those jobs were gone before the recession's official onset. Our manufacturing industry now employs about 15 per cent of Canadians and it seems to me thousands of those jobs probably come from his part of Ontario. What is he talking about? What good does it do to get up to cite some think-tanks saying that our growth is going to go up more than any other OECD country next year? I do not know if he was present before, but I read the figures that showed that Canada is performing economically among the worst of the OECD member countries and certainly among the worst of the G-7 countries.

At what level do these debates get conducted in this House? Are we conducting ourselves on the intellectual level that Canadians would expect us to be debating serious issues in this House?

Mr. Soetens: Mr. Speaker, I find it interesting that the member is talking about some of the economic policies of our government that he is obviously concerned about in his presentation. I believe in fact he voted for most, if not all of those.

Having said that, he asked me to defend a list of some 400,000 odd-jobs that have been lost in the Canadian economy, a list that has already been refuted by quite a number of people as having a tremendous amount of inaccuracies in it.

If the member is suggesting that the growth program that we are presently putting in place will not provide job opportunities, what does he think growth does? We are aware there is an unemployment problem in Canada. Through this growth that we are saying will happen because of our program, we will see unemployment in Canada fall. It will fall because people will have found themselves in very stable, consistent, ongoing, full-time, rewarding jobs.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary question to ask the hon. member. He just answered the member for Edmonton Southeast that it was wrong to have supported some of these policies in the past. If it was wrong to have supported some of these harmful policies in the past, is it not far worse to continue to support all of those wrong policies, which the hon. member is doing right now?

Mr. Soetens: In case the hon. member did not hear me correctly, and I suspect he did not, I said the policies that the member was criticizing were in fact policies he voted for. All I am saying is that those policies are and were correct. By the implementation and continuation of these policies, we are talking about things like deficit control. I have no doubt that during the last election campaign the member from Edmonton talked about deficit control. I note when he walked across the floor he threw that argument out the window. He has joined those who do not think deficits are a problem.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, the member talked about the inflation numbers, the interest rate being reduced, et cetera. He

would have to concede that the government's inflation targets are way ahead of schedule. Interest rates are in respectable shape. Does he not feel that there is enough room within his fiscal plan, seeing he is so far ahead on his inflation program, to do something that will put some hope back into that part of our community that is unemployed?

He is focused on ratcheting down inflation. Quite frankly, I would challenge the model right now that says there is any inflation in this country. I cannot see it. I do not know of it anywhere. My point is the deep economic pain that is out there for those people who are most in need.

• (1400)

We do not seem to have a life raft for them. At what point in time does the government say: "Our fiscal framework is on track. We are ahead of schedule. Now, let's look after those who are most disadvantaged in our society". At what point do you make that change?

Mr. Soetens: Mr. Speaker, I am happy to respond to that. Let me come at it from two directions.

First, in Canada, 90 per cent of the population is working. What we are talking about with some of the policies is to get that 90 per cent feeling more confident to start to invest. That will help the unemployment side.

That is one side we are working on. On the other side, I think the member is absolutely correct. It appears that our inflation targets are going to be met and that we are somewhat ahead of ourselves. Interest rates are a little lower than we have targeted.

I do not know what will be in the budget. I have a lot of opportunity to input to the minister, but I do not know what will ultimately be in it. I have recommended to the minister that because of some of these things that the member has mentioned and because there is still a serious unemployment problem, we should look at easing some of the levers by some capital projects.

I must suggest that my view of capital projects is different from those that the provincial government has responsibility for. I believe that we have our jurisdiction where we can invest some money. I have made some recommendations to the minister not to support a huge increase in spending, but to look at some areas where we know we are going to have to make some capital investment because of the kind of things that the member has mentioned. I have encouraged that there be a look at some of these projects.

Of course, the biggest one, and I believe it was mentioned during Question Period, is the fixed link to Prince Edward Island. I recommended that and a number of others. Not every project needs to cost $1 billion. There can be some really worth-while projects, spending $50,000 here and $100,000 there, and maybe even $1 million in other locations.

Through a variety of programs, but fundamental at least to my outlook, we can in fact achieve those targets that we have set out.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I listened to the hon. member very closely. I spent some time with him in Saint-Jean trying to learn some French. I got to know him quite well and I know he speaks very sincerely.

He said that the government does have an action plan. I listened to him very carefully. What is it? Is it predicting that there will be a recovery? Is that the government's action plan?

He talked about the fundamentals that it has laid down. Is that the government's action plan? He does know that there are 300,000 skilled jobs required in this country right now. There are 1.5 million unemployed. What is the government's action plan to match these demand jobs right now and the 1.5 million people who are looking for jobs?

In Question Period I asked the minister of employment if he would implement at least part of the Liberal five-point plan for economic recovery. He definitely said: "No, because it would not provide permanent jobs. It would provide all short-term jobs". Yet, the member is agreeing with us now that there are some public works projects that might create jobs and help the unemployed.

What is the government's action plan for matching the 300,000 skilled workers required right now with this huge population looking for jobs?

Mr. Soetens: Mr. Speaker, I appreciate that the Liberal action plan has five points in it.

One of the five which is a very public and very highly demanded plan is the down payment reduction on housing. That has been implemented by the government. To suggest that we are not looking at anything, one of

their own ideas that he supports has been implemented.

The relevant issue is that 300,000 jobs are going unfilled because they are for trained people. Certainly I have seen in my riding, and I am sure all members have seen that over the last year, the government has moved a considerable amount of money into the training budget. I am sorry I do not have the numbers in front of me exactly, but I believe it was increased over the last two years from just over $1 billion to just under $3 billion.

That is a substantial increase in funding in the training programs. I would suggest that hopefully all of those people involved in those training programs, or many of them, will look at those 300,000 jobs which are going unfilled and be qualified to fill them.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to speak in this debate today. Let me remind the House of the motion we are discussing:

> That this House condemn the government for its refusal to take action to alleviate the intolerably high levels of unemployment in Canada.

Many Canadians could have written this motion, perhaps not as eloquently as the hon. member for York South—Weston because very few people have such eloquence, but most of them think exactly what is in this motion.

First, let me take this opportunity to congratulate the member for York South—Weston on his recent appointment as the employment critic for the national Liberal Party. I am sure that I speak on behalf of all members of this House in congratulating the member. We know that he will really hold this minister and this government to account for the shortcomings of the Conservative government.

This government has so many shortcomings that it would probably take 85 critics to keep it honest in that regard, if that is possible. However, I know that the member for York South—Weston will do a tremendous job not only for the national Liberal caucus but indeed for all Canadians who want us to air that grievance with the government in order to obtain redress.

When I said that several million Canadians feel exactly as the member for York South—Weston does, I was not making a merely partisan remark. In addition to the feelings we have as parliamentarians there are very concrete statistics to support what we are saying.

I have before me an article written by Frances Russell, which appeared in the *Winnipeg Free Press* on February 5, 1992, and presumably in other Canadian newspapers as well. She points out that between June 1989 and October 1991, under the Conservative government, 461,000 manufacturing jobs were lost.

The hon. member for Edmonton Southeast referred to those very depressing statistics only a few moments ago. Yet, we hear some members across the way who say they are on the right track. What would things be like if this government were on the wrong track? We are losing this many jobs while the government pretends to be going in the appropriate direction.

The people of my riding do not think that what is happening now is at all satisfactory. The government pretends that this situation is world-wide.

[*Translation*]

Although the recession is not unique to Canada, Mr. Speaker, you are non-partisan and with your great objectivity and neutrality, you will understand that Canada's present situation has been made much worse by the monetary policy of the government opposite and also by the policy of too high interest rates. Of course our overvalued currency has cost Canada jobs that went abroad. This brought on the recession in Canada even before it was felt in other parts of the world.

We see that this government has greatly contributed to the recession. I would even say that the Canadian government beat others to the recession.

• (1410)

Before the nation-wide recession, created by the government opposite, many parts of our country were already suffering from recession. Take eastern Ontario, for example. In my riding of Glengarry—Prescott—Russell, in Renfrew—Nipissing—Pembroke, in Stormont—Dundas and in others, we started to feel the effects of this recession long ago. That is why some of my colleagues and I asked the Conservative government opposite in 1990 to establish an economic recovery program for eastern Ontario. We were so disadvantaged in our

area that we needed such a program, even before the recession hit the rest of the country.

What we did not know then is that the worst was still to come.

[*English*]

I have before me a front page article from the *Standard– Freeholder*, a newspaper in Cornwall, Ontario, of Tuesday, August 28, 1991. It is entitled "Eastern Ontario Needs Job Help". It talks about the fact that an all–party committee of members of the Ontario legislature was on tour in eastern Ontario and it heard of the terrible economic conditions in eastern Ontario. It heard from the mayor of Cornwall, not from the member for Glengarry—Prescott—Russell, that companies needed incentive to relocate in the region.

I would like to quote then Mayor Phil Poirier: "Ontario's competitiveness as an economic region is being weakened by its reluctance to match its competitors' actions, and the same applies for the federal government which has failed to provide economic assistance to eastern Ontario the way preceding governments have done".

[*Translation*]

Now hon. members opposite like to say: "Well, you know, you Liberals have no alternative". They say that or they say: "You have alternatives but they cost too much". That again is wrong.

[*English*]

For those across the way who ask what is the alternative, our leader, the member for Beauséjour, announced a few weeks ago a five–point program to improve the economy of this country.

Let me go through those points, and I will also discuss how we are going to pay for them. I invite the Conservative members to take note, to write it down or get someone else to write it for them so that they can adopt these policies.

(1) We ask for a 5 per cent minimum down payment for first–time home buyers. That is cost neutral and the government has done it already. We thank it for making this first step. There are four more yet to be taken.

(2) Permit the use of the registered retirement savings plans for first–time home buyers. This program has no cost to it. All you do is borrow from your own RRSP, put some sort of an attachment on the property, and if and when you ever sell the property you put it back into the RRSP. There is obviously no cost attached to that, not even the loss of potential income tax, nothing. There is no cost at all attached to this particular plan of our leader, the member for Beauséjour.

(3) A shared cost infrastructure program. Yes, we have called for this program. One billion dollars is the cost of it. How do we pay for that? First, in my own province of Ontario the provincial government has already agreed to contribute matching funds. It has already agreed to pay for half of it. In addition, we must remember that by not paying unemployment insurance much of that money would be coming back, some $350 million of it.

There are two more components. One is intensified basic skills training in Canada and the other is emergency funding for food banks which we would pay for by cancelling government polling and advertising.

We have offered alternatives.

[*Translation*]

I call on members opposite to listen to the grievances of the Canadian people, those in Glengarry—Prescott—Russell and elsewhere, who want an economic recovery program to get the economy going again and not platitudes from the government which likes to tell us that it is on the right track.

They are not on the right track. Eighty–four per cent of Canadians who have had it with the Prime Minister and his government know that they are not on the right track. The Prime Minister spoke the truth yesterday. He told Canadians who do not like his policies not to vote for him. That is exactly what they intend to do, and I hope that it will be soon.

[*English*]

The Acting Speaker (Mr. Atkinson): The hon. member had indicated that he was splitting his time with his colleague so there will be a five–minute questions and comments period.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I would like to ask the hon. member a question. He has just mentioned that his leader favours the use of registered retirement savings plans for the purchase of certain durables or houses which are even more durable consumer goods. Can he tell me what that will do? When your leader was a minister, as we were emerging from the 1980–81 recession, his government embarked upon a major capital projects policy and then interest rates soared, reaching 24 per cent and the inflation rate was as high as 14 per cent.

Today, under similar circumstances, that is to say just after a recession, here is your leader suggesting we do as he did then, that we make the same mistake and cause inflation and interest rates to flare up, while our party is advocating a stable monetary policy producing lower interest rates. They have been around 7 or 8 per cent for the past few months. That is a quite impressive drop. I would like the hon. member to explain to Canadians who have mortgages to pay how this would impact on their monthly payments on a $75,000 mortgage, for instance if, having adopted a major capital projects approach as advocated by his leader, we were to repeat the same mistakes he made in 1981 and let the interest rates rise to 20 to 24 per cent.

Mr. Boudria: Mr. Speaker, the member opposite is a bit confused. For one thing, the first part of his question deals with registered retirement savings plans. The second part, which he mixes with the first part of his question, deals with the public works program advocated by the Liberal leader.

I believe that the member's question is about registered retirement savings plans. First, the member opposite knows, because the Canadian Home Builders' Association surely informed him like the rest of us, that thousands of home foundations are all ready to be built on. Therefore, the announcement of such a program would result in almost immediate construction. There would be no waiting for drawings or tenders, which could take months and even years. We are talking about something that could be implemented within a few weeks. The economic impact would be that fast.

Second, I believe that the member was referring to some deficit that would result in a higher cost of living, or something like that. The member forgets that there is no deficit of any kind, neither for the government nor for the taxpayer, if you borrow from your own registered retirement savings plan. It is simply a transfer of investments from one portfolio to another. That is all that is involved. It may be that the member did not understand that, but he should familiarize himself with this issue by contacting the Canadian Home Builders' Association. If he wishes, I can provide him with the telephone number.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): I have a short question for my colleague, the member for Glengarry—Prescott—Russell.

• (1420)

The member for York South—Weston, our critic responsible for employment, put forward an idea this morning that we in this House should issue a challenge to the Minister of Employment and Immigration that we debate right through the weekend ideas on how we can put people back to work. We need to stimulate this government to put a tighter focus on this issue.

I would like the hon. member to put forward some ways in which he feels we can get this government to respond to this request.

Mr. Boudria: Mr. Speaker, I am almost tempted to say that the quickest way to get things done is to call an election right now. But even that would take a few days of campaigning before we are rid of the people across the way.

Meanwhile, it is incumbent on the minister to listen very attentively to the debate. I am sure, looking at him right now, that is precisely what he is doing. I am sure he is taking copious notes of the remarks of all hon. members of this House and that he will be responding and acting on our measures.

It is my hope that he and the Minister of Finance will announce in the budget in no more than two weeks from now the other four points suggested by the hon. Leader of the Opposition.

Yes, we could have debated all weekend. I am ready to do so but I do not think that the minister—and I am looking at him attentively right now—is ready. I am looking at the Prime Minister as well in his seat there

and I do not think he is ready to debate this weekend either. Nor is the Minister of Finance. I can tell by that look on his face that he is not ready to debate this weekend.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, my friend from York South—Weston has moved a resolution that ought to command the support of pretty well every member of this House.

Mr. Boudria: Every Canadian.

Mr. Simmons: Certainly, I say to my friend from Glengarry—Prescott—Russell, if every Canadian could vote on this resolution there would be a thumping majority in favour, I will tell him that.

The unfortunate thing I say to him and to this House, is that this House no longer really represents the majority wishes of Canadians. It is true that at the time of the election in 1988 a majority of members of a particular party stripe were elected. But the sad commentary on that group is that they no longer reflect the wishes of the people who sent them here.

The best example of that is the goods and services tax, where fully 85 per cent of the people—and I have no reason to believe the proportions are any different in Tory ridings than in other ridings—have voiced their opinion very strongly against that tax. Yet these people sit here and allow the will of the people to be thwarted.

If the people of Canada could say today "we condemn the government for its refusal to take action to alleviate the intolerably high levels of unemployment", they would support almost unanimously that resolution. I say "almost unanimously". There would be exceptions to that. It would not be a unanimous vote.

There are some people out there who would disagree with this resolution in all fairness. And who are they? Well, they are the people who have jobs, thank you very much. They are the people who ran those big ads about free trade during the last federal election. They are the people who are benefiting from a massive tax break from this government. I am sure everyone knows the statistics.

Those who earn $100,000 or more a year in this country are now paying $1,600 less in federal taxes than when this government took office; $1,600 fewer dollars each year than was the case when this government took office in 1984. Those earning $30,000 or less a year are now paying $1,200 more a year in federal taxes than in 1984.

What is the net message? That this government is looking after its own rich friends. Those rich friends, if they were to vote on this resolution, would find nothing wrong with what this government has done because this government has looked after them very well in tax terms and in every other way possible.

I was particularly interested in what the hon. member for Ontario had to say. I thought perhaps his remarks were maybe the most informative from that side of the House in that he got into announcing aspects of what is going to be in the budget. He may be in some trouble with his colleagues for that, but that is quite another story.

At least his candour can be complimented. I found what he had to say to be very informative as to what will be in the budget. It contradicts what he was saying earlier about the need for more restraint and the big bugaboo was the deficit. He spent much of his time on that, but when he let his hair down he talked about how this government has some plans to do some spending when the time is politically ripe. I am interested in hearing more from him on that issue.

Yes, today is Valentine's Day, February 14, a day when we turn our thoughts to particular subjects but, irony of ironies, it is also the day that this country is being pummelled as never before.

I am sure you have heard about the lay-offs of hundreds of people in the forestry industry in the Alberni Valley on Vancouver Island by MacMillan Bloedel today. I am sure you have heard of the closing of a Sears catalogue office in Halifax today.

I particularly want to flag the two items that we have mentioned already today, one being the Hibernia situation with its drastic employment impact and the giving of notice to 1,000 workers, and the other being 850 plant workers and 155 trawlermen in relation to the Catalina, Newfoundland plant operated by Fisheries Products International.

Just those four locations that I mentioned: Port Alberni in British Columbia, Halifax in Nova Scotia, Catalina in Newfoundland, and of course Hibernia at Bull Arm and other sites in Newfoundland, bring into sharp focus once again the difficulties that are being faced by the

people of this country. People cannot even assume from one day to the next they have a job.

Some of the misery of today, and I am thinking particularly about Hibernia, has been inflicted because of a commercial decision. At least that is the immediate reason, but a good part of the misery being inflicted today can be traced directly to government policy.

Why is the forestry industry whether in British Columbia or in Newfoundland or elsewhere in trouble? It is because of the high dollar. You heard the double-talk from the hon. member for Ontario in succeeding mouthfuls. He talks about how he is pleased the dollar is coming down and how at the same time he supports everything the government does.

Well which is it? What this government has done is kept the dollar artificially high at the expense of thousands of jobs in the forestry industry, the mining industry, the fishing industry, indeed any industry in which we export the product. That is certainly the case for the three industries I have just mentioned, three industries that Newfoundland depends very heavily on: forestry, mining and fishing.

Take as a second example the loss today in Catalina, Newfoundland of 1,000 jobs. Why does FPI, the company concerned, find it necessary to give these notices? The answer is clear and it is in its press release. I believe it relates to quota reductions. What causes quota reductions? The massive foreign overfishing which this government almost invited in 1985 and has allowed to go on year after year ever since.

Only today, during Question Period, I was asking the Deputy Prime Minister if the time was not indeed right for this government to give notice to the offending nations that enough is enough and that we intend to unilaterally extend jurisdiction, marine maritime jurisdiction, to embrace the nose and tail of the Grand Banks.

• (1430)

The motion is all about the failure, the refusal of this government to take action.

Whenever you have different parties represented in a forum such as this, you will have different views about monetary policy, about any number of policies which will have an impact on job generation. Irrespective of our differing ideologies, where there ought to be no difference is in the need to do some common sense things.

What could be more common sense than putting an end to this flagrant overfishing I have mentioned? What could be more common sense than allowing the dollar to come down a bit so that our exports are more competitive.

Yes, we condemn the failure of this government. Its failure has been so blatant, so stubborn and so arrogant. Does it not care at all? Doesn't anyone who sits on that side of the House care at all about the misery that has been inflicted, about the lives that are being destroyed, about the university education that will never go forward, about the families that are breaking up, about the increased crime?

These are all manifestations which flow directly from these very, very difficult economic times created in large measure by this administration.

Yes, we condemn that and that is why I am so delighted to support this resolution.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I want to ask my colleague if he claims that the government should implement measures that would have the effect of raising interest rates significantly. That is my first question.

Second, does he claim that government policy should destabilize the value of the Canadian currency and fuel inflation? Would he be in favour of a return to an inflationary policy, a policy of high interest rates?

If so, what does he have to say about economic forecasts such as those of the Toronto-Dominion Bank, for instance? In its latest bulletin for winter 1992 that bank predicts increases compared to 1991 when investments in Canada decreased by 28 per cent. For 1992 and 1993 the Toronto-Dominion Bank expects investments to increase by 20.7 per cent and 29.6 per cent.

I dare say that this reflects a policy of controlling inflation and keeping interest rates low. How can these rates remain low and how could inflation be kept under control if we advocated, like the member's leader, a repeat of the mistakes of the Liberal Party in 1981,

namely major public projects or the use of money in registered retirement savings plans?

His colleague said that these monies would simply be transferred. That colleague does not at all understand what is involved. If a person with money in a pension fund actually withdraws that money and uses it for another purpose, the fund has to take that money from somewhere. If the Liberals claim that we should print money, that will fuel inflation and we will again experience the problems of 1981.

How does the member reconcile all this, and what is his opinion on interest rates and the value of the Canadian dollar?

Mr. Simmons: Mr. Speaker, I would like to start by thanking my colleague from Lévis for his questions. I hope to be able to properly answer his questions in French at some point in the future, but for now I choose to answer him in English.

[*English*]

I would like very much to be able to respond at more length to my colleague in French, but I am sure he would be more interested in the substance of my response than the semantics of it. I will stick to the language that I botch somewhat less completely than I do French.

The hon. member raises a number of interesting questions. On the question of inflation, of course dealing with inflation has been important and I think the government has done a good job of keeping that under control. The answer is no, nobody on this side wants to jeopardize that situation.

We have to keep in mind that one is well under control. It is not the only objective. Any government must have a balance, a smorgasbord of objectives. This is one of them and it has done a reasonably good job of dealing with that one. It cannot hang its hat on that one alone. It has to move on and address some of the misery that is out there.

The member for Lévis talks about destabilizing the dollar. No, the dollar is quite stable. Indeed the only tampering with it has been in the opposite direction to keep it artificially high. Our position is that if the government left the dollar alone it would become very stable, a bit lower and even more stable. The only tampering with it, as I say, has been in the opposite direction to keep it artificially high.

If he is going to quote economists from Toronto—why anybody from a sensible province like Quebec or Newfoundland would want to quote anybody from Toronto, I do not know—I will indulge him if he will indulge me. Somebody else from Toronto, a good economist, said the other day that the appreciation of the Canadian dollar over the last four years "is having a damaging effect on the economy".

No, we are not wanting to destabilize. We are wanting to make the dollar even more stable and we can do that by bringing it down.

The Acting Speaker (Mr. Atkinson): The time for questions and comments is now terminated.

Mr. Nunziata: I rise on a point of order, Mr. Speaker. I wonder if the House might indulge the hon. member for Algoma. He has a quick question to ask of my colleague from Newfoundland.

The Acting Speaker (Mr. Atkinson): I would like to express to the hon. member for York South—Weston that it was agreed that there would be two speakers from the Liberal side, 10-minute debate and a five-minute question and answer period. The five-minute question and answer period following this member's speech has expired.

[*Translation*]

Mr. André Plourde (Parliamentary Secretary to Minister of International Trade): Mr. Speaker, this motion and this debate provide me with an opportunity as a former industrialist to think aloud, to share my views and even to speak my mind.

As legislators it is important that we take the time to meet and exchange ideas, to get to the heart of the major challenges facing the nation instead of merely skimming over them, to seek the cause of the problem instead of just focusing on the symptoms, to take a good hard look at some of the major forces which are now shaping our national and international agendas, forces that challenge each of us in our respective fields but which are necessary if we are to be efficient or even survive.

How much stronger our nation would be if such an opportunity for change came our way more regularly, in all regions of our country and in all walks of life. Yet, it seems that we have fewer opportunities for substantive

dialogue. What is really paradoxical is that at the same time the vagaries of our times call for even more discussion and debate. This creates a stronger need for public consensus as a basis for achieving our goals.

You are all well aware of the financial, constitutional, environmental, international and social issues which we all are currently interested in. I would like to share with you, Madam Speaker, and with the members of this House my own feeling on one or two truly fundamental issues, issues that have received little or no attention in our daily lives or in the media but yet set the tone to all the others.

• (1440)

Two closely related forces are sweeping the planet: the emergence of a global economy and the coming of the information age.

Whatever labels one uses, the fact is that the age we are now in is very different from the one that the two generations before us knew. The industrial age is over; the knowledge age is here. National borders are blurred as global systems dominated by world-wide corporations and three huge trading alliances emerge. A new world order is taking shape. The market economy is winning the whole world.

Those who refuse to admit it and remain attached to old ways are left behind. In politics and the huge government bureaucracy, pressures for change are enormous but change is slow in coming.

Instant access to information and universal education have dramatically increased the power of individuals. Now individuals want to have a say in decision making. That in itself is a force for change.

Greater individual involvement tremendously enriches our society and our democracy, but the political process, which includes both the government and private institutions, must be thoroughly rethought to reflect the new autonomy of individuals and the new interest groups which are more powerful than ever, not only to involve them in decision making, Madam Speaker, but also because today it is time to recognize that individual behaviour, translated into daily action, is a greater determinant of what the nation is than are government decrees.

Individuals express themselves on all the markets of the land; they cause things to happen. We must therefore take another look if we want the political process to work well. In doing so, we must also reform institutions and think of new mechanisms. We must manage more efficiently, privatize, and deal with those who cannot deal with the changes.

As a government, we must be more concerned with developing co-operation and consensus on a wide scale. We must encourage attitudes and behaviours in that direction. A new fundamental reality has appeared with the information age and the global economy and it has a direct effect on our society. This perception of the new reality has been one of the key points of the government's agenda since 1984. This agenda has been consistently pursued, although there have been some mistakes along the way, I agree. We have pursued this agenda despite massive constraints of all kinds, not the least of which is certainly the ideological heritage of Liberalism that has continued to haunt us, a heritage that continues to mislead too many Canadians.

After decades of watching a titanic government spend massively, a government guided by a vision of society and the public service that belongs to a bygone era, the federal government's strategy for economic renewal is in striking contrast. It clearly shows the coherent vision of a national economy that does not have to suffer government interference and where individual initiative and entrepreneurship take on their full importance.

By reducing the public debt, by slashing wasteful spending and inefficient programs, by reforming the tax system and extending trade opportunities, and by consolidating international markets, the prosperity initiative which the Minister for International Trade and the Minister of Employment and Immigration launched last October is another major step in this series of coherent initiatives.

Canada, as you know, faces a serious competitive threat. We are lagging behind our main international competitors, especially in terms of productivity and knowledge acquisition. We are proposing a serious attempt to inform Canadians about a whole complex of issues. We have created consultation procedures to take the public debate further and to encourage consensus.

First, it is innovative and that is somewhat risky. Second, we have involved the private sector in it. Third, a solid base has been established for developing a national action plan this year. This plan will include not only all governments but also all interest groups in Canadian society, and here I include all members of this House. This initiative is a perfect example of a government that understands the new realities of our time.

This process is bound to succeed if you, together with other leaders in Canadian society, recognize that you must take part, if you encourage all the other partners in our society to commit themselves fully, and if everyone together determines the process. What will happen? In this day and age governments can no longer act alone. Your actions and your commitment will determine whether our nation succeeds or fails to meet this important challenge of competition.

Mr. Gabriel Fontaine (Lévis): Madam Speaker, I listened to the speech made by my colleague who talked about the new world order in which we live. It must be said, to the credit of those who preceded us, that the eighties are very different from the sixties and the seventies. It is for that reason that some changes must be made in the economy and that we must avoid repeating the mistakes made in the sixties and seventies. I believe that the member explained very well why we must adapt to this new world order.

The member also talked about the privatization process implemented by our government. I would like to tell him about this privatization exercise, using the case de Havilland and Canadair, two former public companies that had run through almost $3 billion. Since it is a company from my colleague's constituency that took control of Canadair and de Havilland, I would like him to tell us exactly what he witnessed in his own riding in terms of achievements by this private company which acquired public corporations that were previously in deficit. It is important that the population knows what good private entrepreneurs can do, as opposed to bureaucrats.

Mr. Plourde: Madam Speaker, I would like to thank my colleague from Lévis who underlines the importance of Bombardier in Quebec. As member for Kamouraska—Rivière-du-Loup, I have the privilege to have that company in my riding, namely in La Pocatière. I remember when I first came to this House in 1984 and when our Prime Minister talked about privatizing some Crown corporations, the first ones mentioned were Canadair in Montreal and de Havilland. Madam Speaker, you will recall that we had a very lively debate in this House because the opposition was absolutely opposed to the government's idea of selling Canadair and de Havilland to private interests.

• (1450)

However, we knew very well that if a successful Canadian and Quebec company of Bombardier's magnitude wanted to acquire Canadair, it would turn it into a profitable private venture, and we would no longer have to put up with the deficits that we had with Canadair and de Havilland. Indeed, in one year the federal government had to absorb a $1 billion deficit.

We are now in 1992, and who saved de Havilland in Toronto, Ontario? I admit that there are many lay-offs there right now. But it was Bombardier, a company from Quebec and Canada. Who saved UTDC in Toronto which belonged to the Government of Ontario and was later bought back by Lavalin? It was Bombardier, a company from Quebec and Canada. Who saved Canadair in Montreal? Again it was Bombardier, a company from Quebec and Canada.

Today we realize one thing: The three corporations that were privatized are now making profits and are creating jobs.

I thank the member for Lévis who brought this issue to my attention. I am very proud of Bombardier and its input in Canada's economy.

[*English*]

Mr. Maurice Foster (Algoma): Madam Speaker, two points came to mind as the hon. member for Kamouraska—Rivière-du-Loup was speaking. He comes from a resource area and I likewise come from the resource area of northern Ontario. We have had massive lay-offs in both the uranium mining industry in Elliot Lake where we have lost some 2,500 of 4,000 jobs in the last couple of years and we will be losing another 1,000 this year when Denison Mines shuts down.

One of the problems we are running into in regard to training, and I have spoken to the minister about this, is the problem with the training allowance under Bill C–22. There is provision for up to three years of training, but unfortunately it is a highly segmented, regimented system.

What we really need is more flexibility so that a person starting, whether it is at the late high school level or early high school or even in literacy training, would be able to start at whatever level their proficiency was at and then move through for four years of training on to skills training and technical training. That is the one point that came to my mind and I think it is urgent.

The second point is that the government really needs to take some immediate action now to stimulate the economy. The leader of my party proposed that we have an infrastructure program where a billion dollars would be set aside by the federal government which would be matched equally by the provinces and municipalities. That way we would get things moving out of this recession. I think that is important.

The other matter that needs to be looked at is co–operation between the federal and provincial governments. Mr. Bob Rae was on the television a few weeks ago and outlined what a disastrous situation the Ontario economy was in, but he did not give much prescription. The one thing that he did propose was that his government would be willing to match dollar for dollar any initiatives by the federal government.

I have proposed to the premier that the federal government has offered to provide up to $30 million for Elliot Lake to build a francophone community college in that community. I am challenging him to come forward with the provincial share of that funding so that that project can go forward.

It is hard to believe but the premier seems to be trying to establish some board of governors to put the decision at arm's length. Whereas he is the premier and his cabinet is responsible for education, they should make a decision and establish a community college for francophones in Elliot Lake. It has broad support throughout northern Ontario. The federal government has provided its support. Even Ontario Hydro has offered through a special economic diversification fund to provide another $10 million.

What is required is for the province to take its responsibility, not try to fob it off as to location to a board of governors, and move on. This project would provide some 500 direct jobs, another 500 indirect jobs and some several thousand students for that community which is desperate for jobs and for diversification because of the massive lay–offs which we suffered during the last two or three years.

I am sure those three or four points are very much in line with those of my hon. colleague across the way. It is essential, as we work our way through this recession, to find tools and take action to overcome the tremendous economic downturn that we face, the loss of jobs and the unemployment that so many thousands of Canadians face today.

[*Translation*]

Mr. Plourde: Madam Speaker, first of all, I would like to thank the hon. member for Algoma. When he referred to Ontario Premier Bob Rae, this took me back to the First Ministers' Conference held last Monday. In fact I have nothing but praise for the Premier. He said at the conference that we should set politics aside and forget about being Conservatives, Liberals, New Democrats or whatever, and work together to develop Canada's economy.

That is what I as the member for Kamouraska—Rivière–du–Loup have been saying for the past eight years in my region and my riding. Politics does not do a thing for the economy. When opposition members in this House and in the provincial legislatures realize that politics is no way to help the economy, I guarantee we will create jobs. When we talk about programs, a government's program is like any other product. It has to be sold. I have been in the private sector for 28 years, and I know what I am talking about.

Earlier I referred to Bombardier in La Pocatière. I held a press conference in November 1991 to announce a subsidy for Bombardier, but only the regional press showed up. We announced that 800 new jobs would be created in La Pocatière over the next nine months. It was not mentioned in the national media or on CBC television because it was good news. They only want to announce bad news. When we realize that we have to start talking about the positive things that are happening,

it will be a big relief to realize that the federal government iscreating new jobs.

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I would like to thank the member of the Liberal Party who moved this motion which calls on the House to condemn the government for its failure to take action to stop unemployment and to create additional employment in this country.

I was looking at an article recently in *The Ottawa Citizen* in which Judith Maxwell, a well-known Canadian economist, was trying to determine what were the reasons for the poor economic performance in Canada. She said: "Higher inflation and failure to invest in new technology are major reasons for the higher production costs in Canada, not social programs and wages".

It seems that the government has taken its focus at two issues, social programs and wages, so it is really missing the point of the problem, which is one of the reasons we are seeing such tremendous job loss in this country and why the government refuses to take effective action to increase employment in Canada.

In the same article Maxwell also blasted what she called the "very weak training effort by Canadian business compared with that by industry in the U.S., Japan, and Germany". I think that criticism can be directed not simply at business but also at governments in Canada, and in particular this government, because training is the key to a successful economy in the future and to successful participation in the future economy by those who need the training.

As you might know, Madam Speaker, one of the previous participants in this debate mentioned the announcement of a shutdown in Port Alberni within the last few days of two logging operations employing something like 340 men and 60 contractors. Over 400 people have lost their jobs in those two particular logging operations in my riding. As a person who comes from a community of 19,000 people that is largely dependent on the forest industry I can say that, in conjunction with a number of other lay-offs and permanent shutdowns that have taken place over the last several months and years, is causing tremendous economic problems.

• (1500)

I am not going to say that it is a dying community because Port Alberni where I come from has tremendous resilience. It has always been able to pull together and push back. It has been around for a long time. It has thrived for a long time. It has done well for a long time. Many times it showed the highest average income levels based on tax statistics of any community in the country, and it is going to do that again.

At this particular time things are looking pretty grim in Port Alberni. Between 1982 and 1984 we have seen 2,500 people lose their jobs in the logging industry at a time when there was no loss to the forest land base due to the environment or withdrawals from the working forest. It was simply an increase in speed of production, mechanization, changes in markets and that kind of thing. As a result those 2,500 people lost their jobs permanently in the forestry industry.

Just recently in that community we have seen a plywood mill shut down with the loss of roughly 300 and some jobs. We have seen a sawmill shut down, with another 150 to 200 jobs lost. We have seen processes within the pulp and paper mill in Port Alberni shut down. Again we are looking at something like 500 jobs possibly being removed from that plant and probably removed permanently. It is a community that is definitely suffering.

It is interesting, at the same time as the community is suffering, as those jobs have been lost and as MacMillan Bloedel, the major employer in the community, is declaring tremendous losses in its operations over the last year, that company has declared a 15 per cent dividend to its shareholders within the last week. Those shareholders are reaping the benefits that they do not deserve because that company is losing money. What is happening is that the shareholders are taking their dividends from the declining capital of that corporation. That is unfair to the community of Port Alberni. That is unfair to the workers in Port Alberni who are actually losing their jobs to pay those dividends to shareholders who have not done a lick of work, as far as I am concerned, in the forest industry.

In addition, MacMillan Bloedel has been investing in the United States. It recently invested in a $300 million oriented strand board plant down in Deerfield, Wisconsin. This was made more feasible as a result of the

changes that were brought about by the free trade agreement.

Recently the parallam process, a process for developing laminated beams that almost have the strength of steel and can be used as a substitute for steel beams, was developed in Canada by Canadian scientists. It has now been sent for manufacture down to the United States with partners in the United States. Again another $300 million investment. I suspect, in the last two or three years since the free trade agreement has allowed it that leeway, the company has now invested about $1 billion in the United States while it is shutting down its investments in British Columbia and putting workers out the door who have committed their lives, their skills and their talents to that company in Canada.

It is unfortunate we do not have companies operating in this country that have a sense of duty, responsibility, nationalism and patriotism for this country and a sense of responsibility for the workers.

Judith Maxwell was talking about the investment in training. A study was recently done by the Council of Forest Industries in British Columbia and by the International Woodworkers of America (Canada), the major union operating in the forest industry in that area, of 227 sawmill workers in a number of sawmills in British Columbia. The results of the study were as follows.

They found that 56 per cent of the workers had difficulty understanding training manuals at the grade 4 level. I am talking about the grade 4 level. Only 26 per cent of those sawmill workers were able to understand technical material relating to the operation of their equipment and to safety processes. Only 26 per cent was able to understand technical documents at the grade 12 level.

The fact is that when those people lose their jobs and they are literate at only the grade 4 level, we are talking about people who are unable to get jobs in the future. They simply do not have the skills, the education and the ability to get jobs in the future. Many of them, because they were trained on the machines they operated over the years, understood those machines very well. They understood the technical problems, the safety problems and were able to operate on those machines.

In fact, they were some of the best skilled workers in the world with respect to those machines. Once the machines became obsolete, the worker became obsolete as well. As Judith Maxwell said: "This is a country where companies expend very little". In fact, we are the lowest in the world in terms of the amount we invest in on-the-job education for our workers. As a result, we end up de-skilling those workers to the point where they end up not being suitable for employment in the future.

I was looking at an article just a few seconds ago from the National Anti-Poverty Association which talks about what the future hopes of those workers are, should they become unemployed, since they are literate at a very low level.

Let me quote from that document: "The National Anti-Poverty Organization, for example, estimates that low literate adults are twice as likely to be unemployed and many times more likely to need social assistance than other Canadians. Even if employed, such low literate Canadians earn only two-thirds of the average income of others".

Illiteracy is a tremendous impediment for Canadians to get jobs. In fact, the federal government, through the Department of the Secretary of State, has been warning Canadians that something like 38 per cent of all Canadians have difficulty reading material that they find on a day-to-day basis, whether newspapers, bus schedules, airline schedules or *Hansard*. All of these kind of things they have difficulty reading and understanding. The government has estimated that costs the people of Canada, the economy of Canada, something like $10 billion a year.

When we think of $10 billion a year and compare that to the deficit that this country is facing, we are talking about one-third of the national deficit that could possibly be attributed to the problem of literacy in this country.

We always look at Canada as a developed country. It is one of the leading countries in the world in terms of education. Yet, under this government, the educational level in Canada is actually going down and the illiteracy rate is actually going up. There is a sign here that we should be reading as parliamentarians and as members of government that we are doing the wrong thing with respect to training our work force.

Those sawmill workers, because of their low literacy levels, are not going to have the opportunity to get a job in the future. If that is the problem with those workers, it is certainly a problem with Canada. We should be spending a lot more time looking at the problem of education and how we can deliver education to our workers.

It seems strange that other countries do not have this problem, at least to the same rate that Canada does. I am thinking in particular of the nation of Sweden. I was recently looking at an Australian magazine called *The Bulletin* in which they were talking about the education systems in the various countries around the world.

It talks about the Swedish system which concentrates heavily on adult education and also on making education available to supplement their labour market strategy. It talks about leaving work in order to get involved in an education program in Sweden. They give an example of a millworker who left his job and went into an adult education program at the age of 52.

In Canada, we consider a 52-year old worker who loses his job to be no longer trainable. Yet, here is an example of a Swede who left his job at the age of 52 and went into a training program. The Government of Sweden pays him $12,600 for 28 weeks of training and $400 a week as a wage supplement while he is on that training program.

• (1510)

It has been estimated in Sweden that of those people who take those kinds of training programs, 70 per cent of them who leave at the conclusion of the program have a job within the space of six months. We do not have anything like that here in Canada; nothing like that in the province where I come from and nothing like that is offered by Employment and Immigration Canada.

I received this document in the mail from Employment and Immigration Canada. It cost $1.5 million to mail this document to every household in the country. It does absolutely nothing to improve the educational quality of the work force in Canada. In fact, it is virtually a waste of government money, but I think it is the only thing that the Minister of Employment and Immigration can really say that he has done in the last little while. Tens of thousands of Canadians are losing their jobs. Whenever they go to him either through his unemployment insurance or through his training programs, there is almost nothing that can be done.

It is interesting that Sweden spends most of its unemployment money on the educational or training part of it and only a very, very small per cent on income supplement. In fact, to quote the article from the Australian magazine I was referring to, it says:

> The country stints on cash benefits for the unemployed, doling out just .84 per cent of GNP for that purpose, but what they do is they pay people to go to training programs so that when they come out of those training programs, they will have the intelligence and the skills and the understanding to get into a job.

As I pointed out, it is usually within the space of six months that people who have taken those training programs end up re-employed in a permanent job.

There are other things that this government seems to neglect to do that could assist getting people into employment again or getting people into employment. I want to quote a document that was brought by Dr. Harris Jane from McMaster University to the special committee of the House on employment equity about the cost of discrimination, how that cost affects industry in Canada and the United States and how that costs society as a whole. Dr. Jane quoted a study, an economic report of the president in the U.S. on discrimination against blacks, Puerto Ricans, Spanish Americans, Indians and others, which shows that it can cost the U.S. economy a loss of up to $20 billion per year.

He also pointed out another author who indicated discrimination in the work place has decreased national income in that country by as much as 1.41 per cent or $9 billion annually.

We are now in the process of revising the employment equity legislation. We know what the tremendous cost is to people in this country when you discriminate against people based on colour of skin, the fact that they are a member of a visible minority, are aboriginal, are women, or are disabled. Those people in many cases have skills that are far higher than those who are actually hired to do the job. If we brought those people into the work force, they would be contributing far more, be far more productive and make our industries far more competitive.

We were told by Dr. Jane at that meeting that when President Reagan for ideological reasons offered to get rid of employment equity in the United States, those companies that had adopted employment equity policies which knew the advantage to their company and knew the advantage to the economy, insisted that President Reagan leave the program intact because it was helping America to be competitive and it was helping their industries to be competitive.

There are many things that we should be looking at in this country, examining our management practices, examining the way our industries are structured, examining how we handle social programs to make sure that we are getting the maximum benefit that we can possibly get. It is only when we improve those management practices, improve our industry, make sure investment is taking place, both by the people who are involved in industries as well as in the machinery and equipment they use, that we are going to get the most competitive economy we can possibly have.

The one thing we cannot do is constantly attack those social programs that the government seems to want to focus on. Things like medicare and transfer payments to the provinces which are used in education and social services are actually going to decrease productivity of our industry and of our work force and decrease the competitiveness of this country.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Madam Speaker, I listened with interest to the hon. member's speech, and like the hon. member I am aware of the difficult situation in the forestry sector in this country, especially in his province.

As you know, the forestry sector ranks among the five largest exporters in Canada and is responsible for a significant share of the $175 billion that we export. I think these industries are having trouble maintaining, let alone increasing their sales, as a result of increasing production prices and also because of certain environmental constraints as a result of legislation in a country that is our main customer, the United States.

The hon. member also mentioned the fact that equipment in the various plants was outdated. I would like to ask a few technical questions. He referred to programs for retraining manpower and upgrading employee skills. I agree, and I think my government's departments have already provided special programs to help the employees of these various companies.

However, when he talks about updating facilities, does he think keeping interest rates low is relevant and is this a policy our government should maintain? I think that when companies decide to buy, the cost of borrowing is an important factor. That is why in recent years, investment has gone down significantly in manufacturing. Now that interest rates are low, experts predict there will be a lot of new investment in 1992 and 1993.

I would like the hon. member to qualify his low interest rate policy, considering the need for companies to reinvest and to increase their technical capacity.

I would also like to ask him, considering that buying new equipment will create pressure on interest rates, how he would reconcile this with simultaneous pressure created by major highway and sewer projects favoured by his colleagues in the Ontario government and possibly by other provincial governments, and also by opposition members here in the House today. If there is too much pressure on demand, I think interest rates will go up, and this would make it more difficult to update the plants that provide work in his region.

[*English*]

Mr. Skelly (Comox—Alberni): Madam Speaker, I thank the member for his question. He talked a little about interest rates. I remind him that interest rates in Canada are really not much of a factor to multinational forest companies such as MacMillan Bloedel, the one I was referring to that operates in my constituency.

MacMillan Bloedel shows in its annual report that a great deal of its borrowings come from Japan where interest rates, especially over the past several years, have been far lower than they are here in Canada. They have also borrowed substantially in the United States. In Japan they were borrowing at rates that were 2 to 3 per cent. The United States rates were around 5 to 6 per cent at a time when rates in Canada were around 12 to 13 per cent. In the old days you could say that when the governments were borrowing money for infrastructure

programs and borrowing money from a limited domestic market or a North American market, there was a chance they could drive up the cost of money by taking a substantial amount of what was available in capital markets. Now the world is a capital market. You told us that we must understand that we are dealing with a global world. Now you must understand that we are dealing with a global world in terms of capital markets as well. A company like MacMillan Bloedel can borrow in Japan at 2 and 3 per cent and it can borrow in the U.S. at 5 and 6 per cent at the same time as money can be borrowed at 7, 8 and 9 per cent in Canada. Those companies do not recognize international boundaries in terms of capital markets.

• (1520)

Therefore, I do not think the fact that Canada's interest rates have come down has really been of much assistance to those companies. They have access to capital markets at lower rates elsewhere.

The problem with investing in Canada is that when these companies examine where to invest it is possible for them to ship natural resources in an unprocessed state to areas in the southeastern United States, across the border into the United States, which are closer to the market. There are lower labour costs there because of anti-union legislation such as right-to-work legislation in those states. That is what is driving investment out of Canada and into the United States.

The free trade agreement the government has developed for Canada has given companies far more freedom to take their investment across the border and put Canadian people out of work. That is one of the primary problems we are dealing with.

I hope I have dealt with most of the member's questions.

Mr. Maurice Foster (Algoma): Madam Speaker, I was interested in the speech by the hon. member for Comox—Alberni because he is a member of the New Democratic Party. We in Ontario are faced with the problems created by the New Democratic government of Mr. Bob Rae.

We certainly were pleased to see his proposal in his fireside chat, that he was willing to contribute dollar for dollar to projects put forward by the federal government with the co-operation of both levels of government. As soon as I heard his speech I immediately wrote Mr. Rae a letter to point out that the federal government had proposed to provide some $30 million for a new community college in Elliot Lake, Ontario, a community which has suffered the most massive unemployment of any community in northern Ontario, over 50 per cent and perhaps as high as 60 per cent.

I suggested to Mr. Rae that it would be really great if he would support that project from his side. Indeed the arguments were made to his party leader a couple of weeks ago when she visited Elliot Lake. I would hope that the hon. member would be able to support her view that the Ontario government should not procrastinate any longer, should make a decision to go ahead with that community college and should provide its share of the funding.

It not only has the responsibility to provide half of the funding along with the federal government but the responsibility to choose the location. However, it seems that the Government of Ontario has decided to establish a board of governors for the francophone community colleges for the whole of Ontario with the idea of letting the board choose the site.

It seems to me that the Government of Ontario has the responsibility to choose that site itself, and clearly Elliot Lake is the choice. The federal government is on board. Ontario Hydro has provided some $10 million through its working group. I would hope that the NDP Government of Ontario would not procrastinate and would make a decision to go ahead. That project would provide a lot of jobs. It would provide a student population in the community of some 2,000. It would be a great project for that community which has over 50 per cent unemployment right now.

I hope the hon. member will convey that message to the provincial premier.

Mr. Skelly (Comox—Alberni): Madam Speaker, of course I would not want to prevent the establishment of a worth-while project in Ontario. I am sure the member would not either.

The Government of Ontario has to operate through its legislation and procedures in the same way that every other government does. If he wants to change those procedures, I would suggest that perhaps the hon. member might run for office in the province of Ontario and hope he is more successful than his party was last time. If there is a proposal to improve the economy of Elliot Lake I will certainly get in touch with the Government of Ontario and lend my assistance to it.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, I have read the motion tabled by my colleague from Toronto requesting that this House condemn the government for its refusal to take action to alleviate the intolerably high levels of unemployment in Canada. In October a 120-page report from a Harvard professor, Mr. Michael Porter, was published by request from the government and the Busines Council on National Issues. I received a translation of that report and read it. It was very interesting. I also received from the Montreal office of the Canadian Manufacturers' Association a report it had prepared. It was sent by the president of the Quebec chapter.

These two documents contain valuable information and are quite similar even though the one from The manufacturers' association was prepared at least a year before that of Professor Porter from the United States. I would like to present some of the main points.

It is evident that the current problems of Canadian manufacturers which resulted in job loss are due to the high cost of the Canadian dollar. Everybody knows that, it has been said often enough.

Also mentioned in the reports are the interest rates which are much too high as compared to those of the United States. Sometimes the margin in Canada is 5.5 per cent higher than that of the United States. You can easily imagine how difficult it is for our small businesses to borrow at such high interest rates. Consequently there was a decline in the manufacturing sector which resulted in lost jobs. But we must not forget that perhaps the most important factor was the so-called free trade agreement. That agreement with the United States certainly had an effect. I do not need to elaborate. The news were far from encouraging when week after week we saw a great number of Canadian and Quebecer manufacturers that could not compete with American companies, and we know why when we look at the Canadian system.

We the Canadian people decided over the years to protect ourselves collectively with programs such as health care and old age pensions. I would like to note I am always surprised when I ask people whether they know that old age pensions do not exist in the United States like in Canada. Most people seem surprised when I tell them that.

In Canada, we have put in place a pioneering system of social security for all the people. We are really a privileged people that the world envies. The free trade agreement cost us many jobs. We saw the results of that. To my great surprise, during 1988 until the end of the election, the Canadian Manufacturers' Association insisted that the deal was absolutely essential. It was its point of view just before the 1988 election and for some time after that. To my great surprise, in December 1991 the Canadian Manufacturers' Association decided to release a study. What did it say in its report? Simply that the free trade agreement was premature. Imagine, three years later it made up its mind. I told the Quebec president: "I am surprised to see that strong supporters of the deal as you were three years ago now realize that there were problems."

• (1530)

For three years they talked about a high dollar and high interest rates. Now they realize that the agreement was premature. He is saying today that we should have waited at least five years before signing that agreement. In other words, we should have stated our intention of entering into a free trade agreement, but we should have provided for a transition period which would have allowed us to adjust gradually, because a lot of adjustment was required. This was not done. We now see the results. This transition period of at least five years was necessary.

Second, what I find strange about the manufacturers association is when it says that the federal government should have known the Americans would be no less aggressive after the signing of the agreement. Imagine that. We kept repeating at the time of the signing of the agreement that the American government was not going to do anyone any favour. Why should it after the signing? We now see the kind of argument we get into with the Americans.

Finally, the manufacturers' association proposed a series of measures. Naturally it is still talking about an overvalued Canadian dollar and high interest rates. It says that our monetary and fiscal policies contribute to a reduction of personal savings, which leaves less money available for small and medium businesses. It also says

that we need initiatives to improve training and development. This is obvious.

Needless to say, the Japanese and the Germans are admired for their remarkable levels of education, especially when it comes to trades training. It is all over the news; you have probably read the same pieces I have. I wonder, why not copy them to a point? In the United States, they are facing the same problems as we are, but if we look to the East we can see what Germany and Japan are doing. In Japan at the present time 96 per cent of all its students graduate from high school. They all have basic knowledge or skills in mathematics, not super university degrees but at least basic skills required to deal with modern technology as it exists in the world today, and it is evolving fast. But here in America—because Canada and in the United States are in the same boat, a fine mess I dare say—only 70 per cent of our young people complete high school.

What is worse is that barely one per cent has the basic mathematical skills required to keep a job in high technology manufacturing industries. I repeat I am not talking about scholarly degrees in calculus or anything like that. I am only talking about the basic mathematical skills required to work in high technology industries. That gives you an idea. It was our doing. We have something to learn, not only from the Japanese and the Germans, but also from the Swedes and the Finns. In Finland in particular, and it has always amazed me, 20 years ago, its government told the pulp and paper industry: "Gentlemen, we have a new policy. From now on there will be no tree cutting unless you are at the leading edge of the pulp and paper technology". As you know, the Finns innovate a lot; they have equipment plants for the pulp and paper industry. But here, in Canada, even when we were the world's biggest pulp and paper producer per capita, we had no secondary industry producing equipment for the pulp and paper companies.

Unfortunately I do not have enough time to address this whole issue.

In conclusion, since the schools do not provide the necessary advanced training, I think the time has come for some kind of national service. Yes, a national service that has nothing to do with the military service. For at least two years, the young would attend classes and learn a craft or get some technical training, which is a must today in the high technology industry in Canada.

Mr. John Nunziata (York South—Weston): Madam Speaker, I would like to start by thanking the hon. member for his speech. Could he perhaps explain his reference to a national service?

[*English*]

I am very much interested in his comments about a national service. Perhaps my friend and colleague can elaborate a little more on this concept.

[*Translation*]

Mr. Assad: Madam Speaker, this is not something I thought up, but I have been hearing more and more about this concept. People have been talking about it for years, and I remember I discussed it with colleagues in Quebec City, in the National Assembly, when we were astounded by the fact that at the present time 500,000 jobs are not filled because people do not have the technical skills, and I mean basic skills. I am not talking about university degrees.

There are 500,000 jobs that are not filled because we have not been able to train our young people through apprenticeship training and technical or trade schools. The national service concept is a very simple one. I do not know all the details, but I think we can skip those for the time being. The fact is young adults, as you know, have to go to school until they are 16. So starting at 16, 17, 18, 19 and up to 25 or 26, if they leave school and do not finish high school, of course they have no trade and so they are unemployed. Obviously they have no future.

My point is that we could do what they do in Germany, Sweden and Japan, and establish a national service, in co-operation with industry. Here in Canada, with the help of industry, we could train these young adults. They would have some discipline and a bit of order in their lives. It is not their fault but the important thing is they would have at least two years to learn a trade or some kind of technical skills in the industry. Industries know their own needs. There are 500,000 jobs waiting. They know their needs, and we could train these people. Training in those fields could be extraordinary.

Do you realize how helpful it would be for those young adults to to learn a trade or some basic technical knowledge for various industries? We could solve many problems in this way. Great challenges await Canada now. But if you want to face up great challenges, you must take big steps.

I say that a national service might be the answer for our young adults, because in the last few years we have almost had a lost generation in Canada. Our young people are not to blame. They did not get the required basic knowledge in school. We failed in that regard and we must recognize it.

But the time has come for important initiatives and I say that a national service, organized jointly with the industry, could be a giant step that would enable our young generation to fill existing jobs. It would also give them hope as well as a chance to contribute to Canada, to the welfare of all Canadians and, more important, to their own personal benefits, happiness and personal satisfaction.

[*English*]

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, the motion is that the House condemns the government for its refusal to take action to alleviate the intolerably high levels of unemployment in Canada.

This morning I asked the minister some questions about the level of unemployment in Canada and, as you heard, our rate is now among the highest in the OECD and G–7 countries. In looking at *The Economist* magazine for this week, the only countries with a worse unemployment rate than ours appear to be Australia, Italy and Spain.

• (1540)

It is a lot more than simple statistics which are not very meaningful to people. It is young people, students, older people, people 45 years of age who get lay–off notices. It is thousands of careers, families, children and grandparents and an awful lot of human beings. I am sure there are many people in your constituency as well, Madam Speaker, who are going around trying to find a job that does not seem to be there.

There are about 1.4 million Canadians looking for work today. If you consider the people who have stopped looking or who have stepped out of the work place, the number is considerably higher.

The Canadian Labour Market and Productivity Centre reported that Canada's unemployment rate would be almost 14 per cent if we included discouraged workers, those on temporary lay–offs, and took into account underemployment among those forced to work part time because of the shortage of full–time jobs.

Our employment rate is at one of the highest levels among the advanced industrial democracies. Among other things, the government has cut the Canadian Jobs Strategy by $100 million and raised the unemployment premiums for those with jobs and employers by 24 per cent. Reference was made this morning to a document from the employment and manpower department which mentioned how the government was going to make the $100 million in cuts in the budget and how the cuts would be allocated to particular regions.

A press released dated February 11 states: "Documents from CEIC reveal that the federal government is in the process of dismantling existing training programs across the country. At a time when the country is facing its worst economic crisis since the 1930s, the federal government proposes to respond to unemployment by slashing training dollars".

There is probably still more bad news to come. The government's own forecasts call for double digit unemployment late into 1992. A strong case can also be made that the government actually used prolonged high interest rates. I certainly concede that interest rates are very low now. In fact, our rates are among the lowest of the figures cited in *The Economist* this week. But they were too high for too long and it is a classic case of waiting until the horse is out of the barn before you close the door. Interest rates should have been lowered many months ago if we wanted to kick start the economy. Unfortunately it is going to take many months to have any positive results from our lower interest rates.

As I said, the case can be made that the government induced this recession in large measure with its high interest rates and high dollar to bring on a recession to lower the inflation rate in places like metropolitan

Toronto. Of course, metropolitan Toronto and southern Ontario have been hit as hard as any region by the made-in-Canada recession.

The Bank of Canada has lowered interest rates so much now that savings are in danger of leaving Canada, possibly causing a collapse in our dollar and renewed inflation. Low income Canadians are feeling additional pain because $411 million was cut from federal social housing programs.

According to the Canadian Association of Food Banks, the number of people receiving food assistance has risen 40 per cent over the last year. Our leader, the member for Beauséjour, is thus quite correct in calling for the redirection of $25 million from Ottawa's advertising budget to Canada's 1,300 food banks. Imagine, 1,300 food banks in this country.

Our provincial economic growth was weakened last year by poor markets—I am talking about Alberta now, forgive me—for oil and gas and by high dollar and interest rates that together choked our natural resource sectors.

The entire petroleum industry has been shrinking and restructuring in an attempt to survive. Staff cuts are likely to continue. Petro-Canada, for example, plans to close about 1,200 service stations across the country and that is likely to be only the first wave of another wave of cuts.

There were six years of relative prosperity. I give the government credit for some of that. I think there is no doubt that for a period its policies were working. I would remind members opposite that during those six years we had 34 separate tax increases and the deficit is still not far off the figure of 1984 when the government took office.

The federal debt, as most people know, is virtually out of control. The government has squandered the opportunities available through the mid to late 1980s to bring spending under control.

Sustained economic success for Canada can only be achieved by tough-minded fiscal and monetary policies such as those pursued by countries like West Germany since 1948. How are we going to kick-start an economy which is now in a recession?

Low interest rates and a lower dollar will probably require at least six months to generate significant new economic activity. In the meantime, our party, the Official Opposition, has proposed among other things, first, allowing first time home buyers to make down payments of 5 per cent for the purchase price of a CMHC approved mortgage instead of the current minimum of 10 per cent. I salute the government for accepting that proposal. We think and hope that it might create as many as 50,000 jobs in the home building industry and cost the taxpayer nothing.

Second, our party has proposed that first-time home buyers be permitted the use of $7,500 tax-free from their RRSPs.

Third, we proposed an immediate federal infusion of $1 billion with equal investments by provincial and municipal levels of governments to fix roads, sewers, bridges and other parts of Canada's aging municipal infrastructure.

Finally, we propose using $150 million for basic training for the unemployed, even to the point of not lowering the deficit by as much as planned next year.

Madam Speaker, you have been sitting there listening to one person after another get up and fulminate against the government. You are probably quite tired of listening to it all day. However, as you know from your constituents, there are an awful lot of our fellow citizens who do not need to be out of work. If we had a little flexibility, a little willingness, a little determination by the Minister of Finance and those around him, we could turn this recession around.

In closing, I urge the government to do some of the things we have suggested and what other people have suggested as quickly as it can for the good of the 27 million people who live in this country.

Madam Deputy Speaker: There will be a five-minute question and comment period.

Before I give the floor to the hon. member for Welland, I would like to ask the hon. member for Edmonton Southeast not to presume the reason why I may or may not be tired.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold: Madam Speaker, you are probably tired for the same reason all of us are. It is the end of the week and that is the only explanation for it.

I thank my colleague from Edmonton Southeast. I was in his riding about six months ago and I had occasion to talk about the conditions there at the time.

He mentioned in his speech today the fact, for example, that in Edmonton, his city, and also in my city of Welland, we have food banks. There are 1,300 food banks across the country.

One would think that in a country as rich as we are and, yes, as caring as we are—Canadians are caring people—that we as members of the House of Commons could somehow urge this government to see that surely one of the rights that Canadians should have is the right to at least have food.

I will talk about the employment situation. In the last week or so I visited the Port Weller dry docks in my riding and they went from a peak of 1,100 people at one time building ships for our country. They are now down to 250 people and they have work, they tell me, to carry them through only until the end of April.

• (1550)

They are hoping they will get one of our defence ships, the *Protecteur*, in there. I hope they do too. The fact is that most of the 250 people remaining are going to be unemployed until that time.

The hon. member also mentioned the car industry. We have over 10,000 workers in the Niagara peninsula who work not only for General Motors but for the parts industries. I think that as these people are affected, they affect not only their immediate communities but also the province and the whole nation.

We have unemployment of about 16 per cent. Some of the things that the hon. member has mentioned to us are common sense things. Surely the government will have a look and see that its right wing, Attila the Hun tactics are not the answers for what we are going through right now.

As one of the members on the other side has said, if we are in a "severe recession", I would think that what they are trying to do is push us into a depression. I would hope that they would listen to the common sense of the member who has just spoken.

One of the questions that I would like to ask the member, and he touched on it very briefly, is about the oil patch. In Edmonton and Calgary and in Alberta generally, we have most of the people who work in the oil industry and now we see this morning the cutbacks at Hibernia.

What incentives or what encouragement could the government give to these people who in some ways generate a great many jobs to not only produce better but to produce more efficiently? Then we as Canadians could all benefit from their expertise and their contribution to the country. I am talking about the people in the oil patch and the oil industry, and I know he is very familiar with that.

Mr. Kilgour: Madam Speaker, I have a neighbour who lives in southeast Edmonton who recently told me that he works one month off and one month on in the oil patch, but not the oil patch in Canada. He works in North Yemen. He gets on a plane at the beginning of every second month and flies to wherever you get off the plane for North Yemen and works there for one month, and then comes home to see his family in southeast Edmonton.

Why does he and others who do a similar thing, have to go to the Middle East to look for oil when, as the member may not know, we still have lots of oil and gas left to find in Alberta? I understand we have in Alberta, for example in the tar sands, twice as much oil as they have in all of the Middle East. Why are we not developing that secure quantity of product for this country and for this continent, for that matter?

I do not have any answers for him on that. I think the answer is that our expertise is needed in Canada and I would like to see more of it used in Canada to find oil and gas in Canada so that people like my neighbour do not have to leave his young family every second month to go off and live in a tent somewhere in North Yemen.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, it is indeed a pleasure to take part in the debate today.

Although we do not have a lot of time left, I just want to remind the listening public what we are debating. The motion was put forward by the member for York South—Weston. It reads:

> That this House condemn the government for its refusal to take action to alleviate the intolerably high levels of unemployment in Canada.

We do not disagree with the urgency of the matter of high unemployment. The debate, in the last few moments especially, has been very reflective and I also use the words instructive and possibly constructive.

It makes no difference on what side of this House you sit, if you are a compassionate human being and a Canadian you have to be concerned that 1.5 million people are unemployed in this country. It is of great concern.

I would just like to pick up on some of the themes I have heard here today, in particular in the last speech. It is interesting to note, as the member from Edmonton pointed out, that statistics do not tell it all. I refer to the fact that it is predicted that Canada will lead the OECD countries in growth of the economy. That sounds good. That 3 per cent figure or 3.5 per cent or more, whatever it happens to be, is one which I think we can all lean on and take some satisfaction from.

However, the difficulty is that our society, our economy, is going through such stressful changes that despite the fact that we may lead the western world in economic growth next year there may not be any resulting change in the unemployment figure. Companies are finding new ways to do business and are becoming much more efficient at how they conduct that business. There are many examples even in my own riding in the last year of that happening.

The pulp and paper industry has been under siege in recent years in this country. In my own riding some of those companies have reduced their labour force dramatically while at the same time, in that same period, their productivity has grown. Although the output of the company has grown, the number of employees actually being employed has decreased. That is a recurring theme in the Canadian economy and in the world economy. We are finding better and more efficient ways of doing things. However, at the end of the day there is obviously a human cost to that efficiency. That is very disturbing.

I think that all of us on both sides of this House find no comfort at all in those numbers, in those figures.

One of the things that we have done in this country in the last number of years is allow our debt and deficit position to get out of hand. As a result of allowing that to happen this very day in this country of ours, 35 cents out of every tax dollar Canadians send to Ottawa is spent servicing the debt, paying interest or providing the interest payment on the debt we have incurred over the last number of years in this country. That means we only have 65 cents with which to do something because the other 35 cents that is paying interest on the debt is not productive money.

The difficulty is that it hamstrings the government's ability to get out of situations we now find ourselves in. If we are talking about an injection of more moneys into the economy to get the economy moving, none of us are opposed to that, none of us on either side of this House.

The difficulty the government finds itself in now is that if we do inject some more money into the Canadian economy it will be borrowed money. That figure of 35 per cent will grow higher and higher so we have to find new ways and possibly more imaginative ways to get the economy going.

One aspect we have overlooked in this country in recent years is the training of our workers. We have done a very poor job in this country, a very poor job. As a government we have to continue to put more moneys into education and the training and retraining of our workers.

For example, in Japan most corporations dedicate about four weeks out of the year to individual worker training. None of our major corporations in this country come even close to that number. Apparently in the banking community there are a number of banks in Canada that are starting to do that, but they are only doing it in terms of one week. Madam Speaker, you can imagine if you look at the auto sector, the pulp and paper industry, our computer industries, and the telecommunications industry in this country what we could achieve if we had the foresight a few years ago to designate training for our workers with the help of government.

That is what I think we have to do. Where we can be successful is to get that interchange between governments and business working the way it does in some other countries of the world. The country that I point to is Japan, that little economic miracle, if you wish. We have it within our ability to do it and we must do it.

That is one of the ways I think we can solve some of the problems that are staring us in the face today without just simply shoving money at them, pouring money into them. That is not going to solve anything at the end of the day, nothing at all.

I want to quote Michael Wilson. He sums up his interpretation of what has happened in this country in the last 100 years. Michael Wilson is a friend of the hon. member for York South—Weston.

Mr. Wilson said, and I think most of us would agree with this: "In this country of ours, Canada, for the first 100 years we lived off of our resources. In the last 25 years we lived off of our credit".

It does not work that way any more. We have to find a better way to do it. I believe that by working together we can achieve better and bigger things in this country.

Madam Deputy Speaker: I am sure the hon. member for Carleton—Charlotte was referring to the hon. Minister for International Trade, which is the way he is referred to in this place.

It being four o'clock, it is my duty to inform the House that pursuant to Standing Order 81(17) proceedings on the motion have expired.

[*Translation*]

Therefore, this House stands adjourned until Monday next at eleven o'clock pursuant to Standing Order 24(1).

The House adjourned at 4 p.m.

HOUSE OF COMMONS

Monday, February 17, 1992

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

NATIONAL HERITAGE DAY

MEASURE TO ENACT

The House resumed from Monday, December 9, consideration of the motion of Mr. Gardiner that Bill C–236, an act respecting National Heritage Day, be read the second time and referred to Legislative Committee G.

The Acting Speaker (Mr. DeBlois): The hon. member for Victoria has nine minutes left.

Mr. John Brewin (Victoria): Mr. Speaker, we had forgotten that I had already started my speech so I was listed for today as the second speaker. You are going to see an even more spontaneous speech than you might otherwise have expected.

I appreciate the enthusiasm of my colleagues who will be watching the clock to see if I can manage this feat. I think I can.

Bill C–236, to provide for the establishment of a national heritage day, is one which we will be voting on shortly and I hope will receive the support of all members of the House of Commons. The bill has already been debated fairly thoroughly. The effect of the motion on which we will be voting will be to send it to committee for further detailed study. I hope the House will agree to doing that.

The bill calls for the establishment on the third Monday of each February of a national holiday to celebrate the heritage of this great country. The bill will apply only within the federal jurisdiction but will provide leadership for all jurisdictions in Canada. Already many provinces are looking at similar legislation, but this House of Commons has a particular opportunity today to make a statement about the nature of this country. It is long overdue that we acknowledge our heritage, and that is the first reason for supporting this bill.

The second reason is that to have a national heritage day will bind this country together from coast to coast to coast. It will give us an opportunity that not even Canada Day provides to focus on what it is that makes up this country and to have us pause for one day to reflect on the greatness of Canada and the heritage of which we are stewards.

• (1110)

Third, it will provide for the only holiday at this particular time of year. Anyone outside those who live blessedly on the west coast of Canada knows if there is any month in which we deserve and need a holiday it is February, particularly by the time we reach the third week of February. This may not be entirely necessary in Victoria where the blossoms are already in bloom, but in the rest of Canada still encased in ice and snow we need a national holiday. The workers in this country need a national holiday.

Some may be concerned that this will undercut our national productivity. Let me make two quick observations on that. Since the 19th century we have discovered that in fact the shorter work week provides for greater productivity. Reasonable periods for rest and recreation provide that workers will produce more in the long run.

Some of us have had the opportunity to be in western Europe and in eastern Europe. I noted that in Germany there are more statutory holidays than in Canada. Germany is one of the economies that is surging ahead. I think there a logical connection and I leave it to the House to decide.

Let me finish my remarks by expanding on one of the major points I have made, that is the need to recognize our heritage. I would like to draw the attention of the House to the fact that I have in preparation a private member's bill which would call for the establishment of a national heritage policy in Canada. This government and its predecessors have taken some specific steps to deal and look at our heritage. In particular there is a program now in force within the federal government that will provide some measure of protection for federal heritage buildings, that is buildings owned by the federal government which are designated heritage.

In my view, and I know it is the view of Canadians from coast to coast to coast, there is a need to enshrine the internal policies of the government respecting federal buildings into legislation and into coherent national policy. Even more important, there is a need for the federal government and this Parliament to provide for the framework of a national heritage policy. There are programs at all levels of government in Canada, at the municipal level as well as the provincial level, but there is a need to provide some coherence and some focus because in many respects our heritage is fast disappearing.

Heritage consists of three elements. First there is our geophysical heritage. We in Canada live in one the most spectacular countries of the world. Yet as we fly over it we see area after area in which we as human beings are destroying the very heritage we have been given and with which we have been blessed. It is important that we begin to examine the issues of our environment from the perspective of heritage, from the perspective of our stewardship over it. There are spectacular mountains, and what we sometimes do to them. There is Vancouver Island and British Columbia where strip mining is destroying the heritage we have been given.

The fish are a heritage. The prairies are a heritage. The farm lands of Quebec and Ontario and the beauties of Atlantic Canada are a heritage for us. We have a special obligation to view this heritage to develop policies to ensure that we pass it on to the next generation.

Our peoples and their achievements are a heritage. The languages of our aboriginal people are fast disappearing because we neglect them and we neglect to provide opportunities to preserve that ancient culture which has been given to our generation to preserve, protect and pass on to future generations. We have the heritage of a multicultural country which needs to be understood, honoured and grasped. This bill will do it.

Finally we have a heritage in the buildings that we and our foreparents have built. Daily that heritage is being destroyed across Canada. Again those of us who have just had an opportunity to come back from Europe can see both the glory and the destruction that has happened in some of those very beautiful cities. Some buildings have been preserved, others destroyed.

What becomes very vivid when one looks around at the various buildings that have been developed in Ottawa, for example, in my home town of Victoria, and in other cities across Canada, is the need to ensure the protection of those buildings and for the federal government to provide leadership in that respect.

I commend to the House this bill that calls for the establishment of a heritage day so that across Canada all Canadians can join on the third Monday of each February to pay respect to our heritage, to consider our heritage, and to reinforce the efforts at all levels in Canada to preserve that heritage for future generations.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I am pleased to join in this debate. I feel very strongly that part of what is wrong with this country—and there are many things right, but there are some things wrong—is that the Canadian people do not know their own nation.

I do not quite know why this came about. If we go to other countries in the world we see how much effort has gone into identifying who the people are, what are their roots, what is their origin, what is their heritage, what is the history of their country. I am constantly struck by the fact that has not happened here. The people in my own community are not aware of what is happening in Oshawa.

I know a number of people work very hard to explain their heritage. They work very hard to explain the history of the trade union movement in my own community, but part of the problem is that there has never been much in the way of an incentive or a push from those in leadership positions to do that.

I want to make the case that this bill is worth it. In much of the argument I have read and in the debate on the bill itself people have made some pretty mundane arguments: "We cannot do it because the provinces would all have to agree on a common day", "we cannot do it because somebody would have to shut down a business for a day", or we cannot do it for this reason or for that reason. What they are really saying to me is: "We do not want to be bothered".

I want to be bothered. I want the people of this country to have another opportunity to see what this great nation is about, and they do not know that. Several simple tests can be put to the people of Canada to establish that sad fact. Ask them about their own Constitution. They do not know it. Ask them about their own nation. They do not know it. Ask them if they have been to different parts of this country. They do not know it. Ask them where they want to go on their holidays. They want to go to Hawaii, they want to go to Florida, they want to go to Arizona, they want to go to Europe, but they have not seen Cape Breton yet. That is a shame.

If there is a Canadian who has not been through the Cabot Trail, who has not spent a little time in Cape Breton, he or she should go to see it, to see its magnificence. If there is a Canadian left who has not seen the Rocky Mountains, he or she should go there. If you have not had a chance to go through northern Ontario, go there. If you have never seen what life on the prairies is about, go there and see what it is like to get into your truck and drive for three hours to go to a football game. People in the prairies do it all the time because it is part of their life. Go to the great province of Quebec, walk around and see the great joy that is there, see the great people who are there, see the great heritage that is there, see the magnificence of another language flourishing in the middle of North America. It is a magnificent concept, but Canadians do not have time for that. They ought to have time for that.

• (1120)

I use my own family as an example because I think it is pretty typically Canadian. No one received much formal education until my generation. I happen to be the only one in my family who went to university, and I did it by correspondence, which is not exactly the greatest way to do it, but I did it.

No one in my family was in a position to take the time to write down the history of the family. Much of what my ancestors did, I heard from my grandmother, my father, my mother but there is no written record of it.

I looked around to find out. What did all those other people do who came here at the same time from places like Ireland, Ukraine and other parts of the world? To try to find a written record is difficult but it can be done.

I mentioned Cape Breton because one of the things that struck me each time I visited it was the rich cultural heritage that is there and the efforts that have been made to preserve it.

It is sad that in my own town of Oshawa, which prides itself on being a hotbed of trade unionism in Canada, you have to search out the history of the trade union movement. You have to go back to the newspaper files. You have to read some of the stories that were written about the early days in the trade union movement.

It is tough to remind people today who have a legal right to be part of a bargaining unit that in our community, a place which prides itself in being a centre of trade unionism, less than half a century ago the Government of Ontario was ready to shoot people for belonging to a trade union. That is not very long ago. Some of those people, very few of them, are still alive, and there is not much in the way of a written record.

Sometimes we think of heritage in Canada as being a nice old stone building. That is part of our heritage but a larger part of it is what happened in that old stone building. Who lived there? What did they do? Those questions still need to be answered but you must search for them.

Some of us are a little upset from time to time that other nations are very proud of their heritage. They seek out and exploit every possible opportunity to wave their flag, to sing their national anthem, to display their heritage proudly. Canadians for some reason have never done that.

I mentioned earlier that Canadians do tend to go to other jurisdictions for their holidays. You can learn a lot by that. You can learn a lot by going, as I did, to a women's basketball game at the University of Texas on a Tuesday night. Twenty-two thousand people came out to see a basketball game in Austin, Texas. You ought to hear them sing their national anthem. You could not leave that basketball arena without feeling that these people have something that we do not have.

Name for me the last time you went to a sporting event in Canada where 20,000 Canadians stood up and sang the national anthem. I have never been to one. At the very best, someone comes in and sings it for them. There will be a little goldfishing here and there but people are pretty tentative in this country. They are not sure whether they should sing the anthem in English, in French or in either one. The end result is that for most of the time, they do not sing it.

What a shame. What a shame that our little kids in school do not get an opportunity to learn much about their own heritage as Canadians. What a shame that our academics do not get much opportunity to write about our own country, to make that part of our fibre.

People often say: "Canadians are moderates. They are boring". The sad truth of it all is that Canadians are pretty exciting, pig-headed people. We did not survive in this kind of economic and geographic climate without having something going for us. The vast majority of the people who came to this nation were poor and had no skills.

I listen to people who say: "Wait a minute, you cannot allow people to immigrate to this country unless they have something to contribute. They need some skills". Thank God nobody thought like that when my ancestors came here. They had no money, they could not read, they could not write, they were in poor health and they were poor, dirt farmers from Ireland who came here to avoid starvation.

I am glad that people came from many nations with exactly the same motive, to survive. That is a pretty noble motive. When my ancestors came here, we met all kinds of opposition. People did not like us because of what we looked like, because of the religion we believed in, because we did not speak the language that they spoke, because we were not well dressed. Thank God we lived through that.

Some of us even learned that when somebody comes to this country and does not speak a language that we like, does not look like us and dresses a little differently, maybe we should remember that they are like our ancestors. It is our heritage as a Canadian and maybe we should just back off and let them have the same opportunities in this country as our ancestors had.

All of this is not going to come easily. It will require a major change in the persona of Canada, the public face. Part of what needs to be done is to take an opportunity like a heritage day and make it a focal point.

The Government of Canada says to all our provincial governments and all our municipal governments: "Wait a minute, here is something worth putting together. It is going to take a little work. It will take a little effort. It will not come easily. It may not always be as successful as we would like it to be, but it needs to be done and it is worth doing". That is why I support this bill.

I am happy to say that on the few occasions now that I see Canadians starting to think about their country and celebrate their country and their greatness, it works. It is not easy and it requires a little effort, a little motivation and a focus as we have on Canada Day.

Every once in awhile some athlete somewhere does something great. I saw a kid from the west coast, whom I had never heard of before, do some skiing on the weekend. I am ashamed that I have never heard of her before but I am proud that she is a Canadian. People all across this country who have never heard of her, got a chance to see this young woman display her ability. I do not care whether it is in athletics, in cultural events, in business, in a profession or whatever, we should be proud of being Canadians and there should not be a member in this House who does not support this bill.

[*Translation*]

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, it is a real pleasure to take part in this debate on the bill to designate a national heritage day.

This proposal seems particularly relevant today, when Canadians across this country are attempting to redefine the future of their country and give new meaning to their national identity.

It also comes at a time when we are preparing for the 125th anniversary of Confederation, which should be a special time for all of us to emphasize the heritage we received from our ancestors and to reflect on the Canada of tomorrow.

The idea of designating a national heritage day, especially this year, the 125th year of Canada's Confederation, is gaining ground. And why not? It is an excellent idea. Especially since the heritage theme, in addition to being universal and speaking to the experience of all Canadians, is a very broad concept. It calls to mind the vast tracts of wilderness in this country, from Terra Nova Park in Newfoundland to Forillon in the Gaspe Peninsula, Pacific Rim in British Columbia and Ellesmere in the Northwest Territories. It refers to our historic sites such as Fort Louisbourg in Nova Scotia;

Bellevue House, the home of Sir John A. Macdonald in Kingston, Ontario; Fort Garry in Manitoba, and Dawson City in Yukon. It also refers to the linguistic and cultural diversity of the people who live in this country, and we think of Quebec, the Acadian presence, aboriginal people, the Ukrainian communities in western Canada and Vancouver's Chinatown, and the many festive events that reflect this diversity across the country.

• (1130)

It is all part of our national heritage, but there is much more. That is why this concept is so important to all Canadians. It is not only important to have festive events celebrating this rich legacy in communities across the country. We must also understand its impact on our national identity.

How can we define our national identity, if we as Canadians do not take the time to discover all its brilliant facets and appreciate them as they should be appreciated?

We could all learn more about our past heritage, about our country today and its prospects as a nation. We would all be richer if we had a better understanding and a better appreciation of our cultural diversity. Would we not make an effort to learn to know other Canadians of different origins if we had a better understanding of the significance of this joint legacy, if we realized that the linguistic and cultural diversity of our country is an asset, not a liability, and that it is not a cost but indeed a benefit?

While we have every right to question the approach suggested for the institution of a national heritage day, because of the costs involved or the implementation procedures to make it a truly national event not only for federal civil servants who constitute merely 8 per cent of the Canadian work force, but for all Canadian men and women, the fact remains that there is a need to promote our national heritage somehow.

This is even more crucial in view of the political situation, as all parts of the Canadian society are seeking, through the constitutional talks, to redefine the future of our nation. Our national identity is at stake here.

Therefore, I suggest it is important to encourage Canadians to reflect upon their common heritage, upon their past history and upon their outlook for the future. It is essential and incumbent on the federal government to foster the emergence of a distinctively Canadian culture and identity, to promote our national symbols, past accomplishments and plans for the future.

That is the role I feel this House should be playing. Instituting a national heritage day could certainly help us achieve our goals, but other approaches could also be considered which would promote just as well the pride we feel in being Canadian.

As the Prime Minister said: "Only Canadians can build together the Canada all of us want and we have inherited from our founders and pioneers the tools we need, that is determination, generosity and faith in the future".

We have the duty, to help the people of Canada rediscover these tools handed down to us by our forefathers who wanted our country to be built on solid foundations.

[*English*]

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I welcome the opportunity of entering into this debate to support my colleague from Prince George—Bulkley Valley on his private member's bill to have the third Monday in February declared national heritage day.

I come from Moose Jaw, a part of the country which as far as settlement is concerned really began only after 1882 when the railway went through. It is interesting that about 10 to 12 years ago—there was a heritage club already—an office was opened up by Heritage Canada. I remember at the time this office opened up that people were wandering on the streets asking: "Why are they there? Why do they have this little office down on Main Street? What is it doing there?"

It was at that time that I started to realize how little people actually understand about their heritage, how little thought they give to their own culture. We have examples right in the city of Moose Jaw.

I know that in Moose Jaw, the skyline, if you can call it that—there are not many high buildings—or the streetscape is very old for Saskatchewan. It is not really that people took any care in trying to preserve it. It is because development has not taken place and knocked it down. It is just now that people are starting to realize how important their streetscape is to the history of their city. It is too bad that this recognition did not start a few years ago.

I know that there was a school in Moose Jaw called Victoria School. It was the oldest brick building in the Northwest Territories. At one time of course most of Manitoba, Saskatchewan and Alberta were part of the Northwest Territories. Victoria School in the city of Moose Jaw was the oldest standing brick building in what was at one time the Northwest Territories which was well over one-half of Canada, probably three-quarters of Canada.

There was a debate in the early seventies over Victoria School. Some developers wanted to put up a high-rise and call it Victoria Place. There was a small group which was very boisterous and very active in trying to prevent that from happening.

I can remember in fact at one point there were permits for demolition and the bulldozer went right in front of Victoria School. People actually laid in front of the bulldozer and stopped the school from being torn down. These people were seen more as a curiosity than anything else. Unfortunately the developers were successful. Victoria School was destroyed. It no longer exists. That is very regrettable.

Victoria School in fact was the school that my grandmother went to when she first came from England in 1907 and it is gone. It is gone forever; it will never be replaced.

When we think of knocking down our brick buildings, buildings of any historical value at all, those buildings will be gone forever. In fact, I think the oldest building in the city of Moose Jaw is from the late 1890s. That is the oldest building we have. That is our heritage.

Heritage day is important to start Canadians focusing on our heritage, focusing on our past. We do not realize the past this country has. When asking most Canadians, certainly in western Canada, they think back to 1867 when Canada began. There is no appreciation of the culture that existed or of the communities that existed before that.

When we look across the border, the Americans have a different attitude. It is ironic that we grew up with Davey Crocket, Daniel Boone and other individuals who are in American folklore. They celebrate days such as Robert E. Lee Day, Martin Luther King Day and Flag Day. There is a better understanding of American culture and American history in that country.

Certainly if you go to places like Europe, this would not even be a debate in Europe. If you go to any part of Europe, whether it is France, Germany or Italy, they know who they are. An Italian knows that he is an Italian and that he is different from someone from France, who is different from someone from Germany. They appreciate the differences. It grows with them. We in Canada do not have that appreciation at all.

• (1140)

I remember studying history when I was an undergraduate student and I remember first coming across André Laurendeau who is famous for many things. One of the things I remember him most for is from reading some articles by him.

He came out to western Canada back in the sixties, and this is of course the ongoing debate between Quebec society and the rest of the country and English Canada. He made a comment that the people of English Canada do not know who they are. I remember also reading another of his comments that English Canada likes to hang on to Quebec because that is what is seen as its history. It is like the hand of a drowning man grabbing on to a shoulder.

There is a point there, because in western Canada where I am from we often associate ourselves and look fondly at the Americans. Instead of focusing on Canadian history and Canadian values and Canadian heritage, we are looking at the so-called American dream. We are inundated these days. People are wearing NFL T-shirts and looking fondly at American values.

We have a tremendous amount of heritage in this country. Certainly when I first became a member I had not travelled beyond east of Montreal. I had the opportunity to go to the maritimes. I was in Halifax, the Annapolis Valley, and over on Prince Edward Island. I only saw parts of the east but there is a culture there, there is a history there. It is local but it is there and it is something that other Canadians do not seem to be aware of.

Newfoundland is different again. It is a culture unto itself. As Canadians, we are richer for having these cultures. Quebec has its history and its heritage.

These are things that all Canadians should be proud of. Yet we do not seem to be aware of them. Most of us seem to go through our lives unaware of other Canadians. We are very parochial. On the prairies I am sure a lot of us think that all Canada is flat with no trees, not realizing that we are the exception instead of the rule.

The bill in front of this House to promote a heritage day is very significant. It is significant for us as a people. It is also significant for us as a nation to promote national unity, a national pride in ourselves and a feeling that, yes, we are unique.

As my father says: "You have to leave the country to find a Canadian". When he was down in the States he ran into somebody and asked where he was from. "I am a Canadian", he said. But if you were to ask him in Moose Jaw he would say: "Oh, I am Ukrainian" or some other ethnic group. Only when one leaves Canada does one become Canadian.

It is time that we started thinking of ourselves as Canadians, promoting those values as Canadians, and looking at our heritage and the diversity of culture that exists in this country, coming to appreciate it and to understand it.

A day such as heritage day can do an awful lot to help promote that, to help us as Canadians appreciate ourselves as Canadians, to understand ourselves as Canadians, to understand our history and to be better Canadians for it, and as a result to have a better country.

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I was reluctant to get into this debate because I thought probably in arguing for this particular motion, or the concept of this particular motion, I would not be able to present myself in the manner that I thought I should.

After listening to some of the comments that I have heard from speakers prior to my rising, the attitude we are facing in looking for a heritage day seems to be a negative-type attitude.

It is being said that we do not appreciate ourselves as Canadians, we do not understand ourselves. I am very fortunate in the area I represent because we do know who we are and we do celebrate the fact that we are Canadians. We are very conscious of our heritage. The various community groups in my particular area go out of their way, first to say they are Canadian and, second, to respect their heritage.

In rising to speak about this, I have a little history that keeps going through my mind. In fact, many years ago, about the time that Heritage Canada discussed the possibility of creating a heritage day, a group that I worked along with, the Kinsmen and Kinettes of Canada, were very strong proponents of this heritage day and still are. In fact, right now across Canada there is a "Proud to be Canadian Tour". There are two Peace Tower flags, one moving from eastern Canada and one moving from western Canada, working with these various Kinsmen and Kinette clubs in each community, showing support for the heritage and the unity of our country.

I have some concern about the fact that we are looking for another holiday. Coming from a small business community, I know the effects of all of a sudden having a long weekend. Even in Manitoba where the weather is cold in the winter, we do an awful lot of work in that area in the construction industry. To disrupt a pretty good construction schedule, I know the cost analysis would be—

An hon. member: Just to recognize your country.

Mr. Bjornson: We should always recognize our country. We are getting off on a tangent here. I am very proud of my country, but does there have to be another holiday? Is there any possibility that we can designate one of the many existing holidays as heritage day? Let us take a long hard look at that. There is a real possibility there.

An hon. member: How much is involved here?

Mr. Bjornson: The cost remains the same, the cost to our economy and the cost to our competitiveness, but we have the opportunity to celebrate our heritage. Once again, I think we should be celebrating our heritage, not having a holiday supposedly to educate ourselves and our children. We should be out there celebrating.

There were a number of comments about the fact that we are not popular with ourselves. The hon. member who preceded me talked about NFL T-shirts being worn across Canada. I would like to remind the hon. member that one of the most valued items in international travel happens to be the little Canadian flag pins. We have a lot to be proud of. That is part of our heritage and it goes beyond the borders of our country.

If this motion goes beyond this reading and gets into committee, I hope that the committee will take a long hard look at how we can carry on the discussion on a heritage day in a manner that is far more convenient than the way it is today. We are discussing a motion that basically only deals with the federal government.

An hon. member: It is 8 per cent.

Mr. Bjornson: There is only 8 per cent, as the hon. member says, who will be affected by this.

I am very curious about why this has not worked the other way. Why have the various provinces not stepped forward? Are they prepared to buy into this package? Once given that package, the provinces do it with their employees and then we have to go to organized labour. Some of the organized labour groups have found themselves in the position where they supply to the membership a heritage day, usually in February. Some of the others use it as a floating holiday. Then there is the private sector. Is it prepared to buy into it? I think it is prepared to buy a national heritage day, but it wants to buy it by changing something that is already existing so that we can promote our national heritage.

I look forward to a very constructive vote in the very near future. As a result we may have a heritage day but it may be at some other time other than the third Monday in February.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am delighted today to have an opportunity to participate in this debate on Bill C-236, an act respecting national heritage day.

I first of all want to congratulate the hon. member for Prince George—Bulkley Valley for sponsoring this legislation.

• (1150)

I have been very encouraged by the remarks I have heard from the last number of speakers who have addressed the principle of this bill. The forceful commentaries and support are very encouraging. If there is one thing all of us are sensitive to these days, it is the future of our country, whether we will have a future for Canada as we know it today. We are celebrating the 125th birthday of Canada. I cannot think of a more appropriate initiative for the House of Commons to take than to advance this legislation later today and eventually see it become a law of Canada. It would be a tremendous positive signal.

I also want to say that I believe in the principles on which we developed Canada as a bilingual country, a multicultural country, a country that has extended a warm welcome to people from around the world. We have prided ourselves on the fact that we are a mosaic as opposed to a melting pot. This has sometimes caused us an identity problem. To understand ourselves is critical. Just as we as individuals try to understand who we are today, we must understand our past. We must understand what has gone before and what this legislation is all about.

When we start looking at our past, we have to acknowledge that there are many dimensions. National heritage is something that is critical. In British Columbia we are concerned about preserving our ancient forests, the first growth forest, the virgin forests. Our magnificent cedar trees, perhaps 12 to 15 feet in dimension, and cathedral like forests are something we must preserve. This is an incredible piece of heritage that is now becoming unique world-wide.

We can talk about the natural heritage of Canada. Previous speakers have acknowledged the fact that we live in a Garden of Eden. We live in one of the most attractive parts of the globe. It is accessible, it is safe and it is unique in many ways. When it comes to our biosphere and the natural landscape, we have taken the initiative to set aside a wilderness area, a park area and other areas of uniqueness. That is something we will feel very proud of in years to come.

The critical one is our cultural heritage, the cultural landscape. I am reminded of a term that is normally used to describe a piece of old parchment. It is called papyrus. In the old days, when parchment was very critical, people would use the sheet of parchment, erase parts of it, draw or write on it, again erase parts of it and write on it again. When you saw the completed parchment, you could see the various layers of previous use. This is what we are talking about today when we describe our cultural landscape. In my community of Kamloops some fascinating cultural landscapes, landscapes of heritage, become very real and vivid when one simply notices them.

First of all I think of the aboriginal cultures that occupied so much of Canada for thousands of years. You see the cultural landscape today when the Keekwillie circles, reminiscent of the old subterranean villages, were built along the riverside as a winter home, the summer home being more of a portable structure.

Today when subdivisions are built, you see these circles representing the old homesteads of the aboriginal cultures that have unfolded on top of one another for centuries and centuries. Then you notice other aspects of the heritage landscape. The old churches remind us of the diverse ethnic communities that built the historic landscape of the country as we know it today.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 11.54 a.m., pursuant to Standing Order 93, the time reserved for debate has expired. Therefore the vote is on the motion moved by the hon. member for Prince George—Bulkley Valley. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Call in the members.

• (1210)

Before the taking of the vote:

Mr. Gagliano: Mr. Speaker, since this is a private member's bill, could you take the vote row by row, it being a free vote?

The Acting Speaker (Mr. DeBlois): Does the House agree to take the vote row by row?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I would like to remind members of the procedure used in voting by row. Members who support the motion vote first. I will ask members on my right to stand one row at a time; then I will ask the members on my left to do the same. This procedure will be repeated for members who oppose the motion.

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

(*Division No. 105*)

YEAS

Members

Allmand	Arseneault
Assad	Barrett
Bellemare	Benjamin
Blackburn (Brant)	Bosley
Breaugh	Brewin
Butland	Caccia
Catterall	Clancy
Dingwall	Ferguson
Finestone	Fisher
Foster	Fulton
Gaffney	Gagliano
Gardiner	Gauthier
Harb	Harvey (Edmonton East)
Hovdebo	Hunter
Jordan	Karpoff
Kristiansen	Langdon (Essex—Windsor)
Laporte	MacWilliam
Maheu	Marchi
Masse	McCurdy
Milliken	Mills
Nault	Nystrom
Peterson	Phinney
Proud	Riis
Rodriguez	Rompkey
Samson	Scott (Hamilton—Wentworth)
Stewart	Tobin—52

NAYS

Members

Anderson	Atkinson
Bird	Bjornson
Blais	Blenkarn
Boudria	Champagne (Champlain)
Cole	Corbeil
Corbett	Darling
de Cotret	Della Noce
Edwards	Epp
Fee	Feltham
Ferland	Fontaine

Fretz	Greene
Guilbault	Hawkes
Hicks	Jourdenais
Kempling	Koury
Layton	Lopez
MacDougall (Timiskaming)	Malone
Marin	Martin (Lincoln)
McCreath	McDermid
McKnight	Merrithew
O'Kurley	Plourde
Pronovost	Ricard
Richardson	Robitaille
Saint-Julien	Siddon
Sparrow	Stevenson
Thacker	Thompson
Turner (Halton—Peel)	Van De Walle
Vincent	Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—55	

PAIRED—MEMBERS

Danis	Marleau

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

Mr. Jim Peterson (Willowdale) moved:

That this House condemn the government for its economic mishandling and incompetence.

He said: Mr. Speaker, my office in Willowdale is in a plaza in the heart of my riding. My office is on the eighth floor. Every time I go to my office, there are many people, a lot of them young people, standing at the elevator with me. They get off at the fifth floor. If I leave my office building between nine and five, the elevator stops at the fifth floor, the welfare office, where people get on. I am reminded every day of the misery that is devastating so many Canadian families.

Let us look at what this government offered Canadians when it came to office in 1984. It offered Canadians jobs, jobs, jobs. Its methodology for achieving this was, first of all, to control the deficit and, second, to give us free trade.

We know what has happened to the deficit. The national debt has gone from $170 billion to well over $400 billion in that time. Today, 15 per cent of Canadians are living in poverty, 2 million Canadians use food banks, 700,000 of those are children, and this is up 40 per cent in the last year. Today, unemployment in Canada is at 10.4 per cent, 16 per cent of young Canadians are unemployed, 92,000 fewer young Canadians are working today than were working a year ago.

In addition, we have had dropouts, people who give up all hope of getting a job so they do not even bother registering. There were 33,000 dropouts last year. In addition, Canada has 1.2 million welfare cases, or an estimated 2 million individuals on welfare today.

The over-all record of this government over the last seven years it has been in office is one of decline. In 1984 Canada had a current account surplus with all nations in the world of $1.7 billion. Today Canada has a $26 billion deficit in its current account with other nations.

Our share of world trade over this period has fallen from 5 per cent to 4 per cent. We are falling behind other countries. In 1984 our trade surplus was $19.8 billion. Today it is $10.9 billion, 46 per cent of what it was when this government took office.

This government has continually told us: "Don't worry, the United States is coming out of its recession; it will take us out of the recession along with it. United States recovery will get Canada out of the worst recession it has experienced since the great depression of the 1930s".

This is not true. Let us look at what has happened over the past several years in Canada.

Since free trade came in, Canada has lost 325,000 or 15 per cent of all its manufacturing jobs. The government is going to say: "But the U.S. has lost manufacturing jobs too". Yes, but at only one-quarter of the rate that we have lost those jobs in Canada.

This time, in terms of plant closures, 65 per cent of the lost manufacturing jobs are due to actual plant closures. This is versus 22 per cent in the recession we had in the early 1980s. Those jobs are gone. They are not coming back.

We see the impact today. Quebec has lost 120,000 manufacturing jobs or 20 per cent of its manufacturing jobs. Ontario has lost 187,000 manufacturing jobs or 18 per cent.

Another factor which is going to make it difficult for us to recover, regardless of what happens in the United States, is interest rates. Yes, interest rates have come down from the high that the government drove them up to, the high of some 13 per cent to 14 per cent. Our bank rate is now down to 7.46 per cent, but the American rate is at 3.5 per cent. Their rate is less than half of ours. What is even more condemning is when you look at the real interest rate. When you take out from the interest rate the amount of inflation, the real rate in Canada is at 3.87 per cent, whereas in the United States it is .9 per cent. How are we going to compete when they have real interest rates that are so much lower than ours and when

ours is way beyond our historical spread of one to two percentage points?

This, of course, is keeping our dollar high. The government will say the dollar has come down from the high of 89 cents to 90 cents that its policies drove it up to. Yes, it is coming down, but the government in the last three weeks has bolstered it. The bank rate has gone up three times in a row in order to keep the dollar up. A lower dollar means more jobs in Canada and more exports. Yes, there is a price you have to pay for a lower dollar. Nothing in this economic climate is free or win win. When the dollar goes down it costs more for our imports and it costs Canadians more to travel abroad, but surely it is more important to have the jobs here in Canada and to be exporting.

Another reason that the American recovery is not going to be the panacea to Canada is that cross-border shopping still continues to drain billions of dollars out of our economy and will continue in spite of the fact that this government brought in half-hearted measures last week in an endeavour to deal with it.

The government did not touch the issue of fuel taxes. Our task force on deindustrialization and economic renewal heard testimony from all across the province. The single biggest factor in driving people across the border was fuel taxes. The cost of fuel in the United States is cheaper. One Canadian trucker said: "Mr. Peterson, I have not fuelled up my truck in Canada in the last six months". The government did not deal with that issue.

Another area that the government did not touch on in any effective way was the mail order business, a huge business which has lost over 200,000 jobs in the past two years. Under existing rules the Government of the United States imposes an $8.40 U.S. charge on Canadians who sell mail order goods in the United States. That is about $10 Canadian. It makes it very difficult for Canadians to compete in the United States *vis-à-vis* the Americans competing in Canada because we do not charge this. What does this government do? It imposes a $5 charge on American mail order houses which want to sell into Canada.

Why did the government not go all the way to give our mail order houses a level playing field? Why did it not charge them $10? It is still giving the Americans a leg up in terms of the North American market. This is just not fair. It is outright stupidity that it would not have the courage and the guts to impose at least the same charges on Americans that the Americans are imposing on Canadians.

• (1230)

Then the government tried to harmonize the GST with provincial sales taxes. It said: "We will collect your PST from cross-border shoppers, Canadians going to the U.S.; we will make sure we collect it at the border if you harmonize the PST with the GST". It wants people in Canada to start paying more taxes on children's clothing, shoes, books, food and other items that are not now taxed. In the midst of a recession, it is saying: "Tax Canadians more". This is a bad fiscal policy. The provinces are not going to be blackmailed into harmonizing their taxes with the abortive GST.

There is another reason we are having and will continue to have problems. Let us look at what we were promised under the free trade agreement, secure access to the American market. "The window is closing. If we do not jump through the window right now, the Americans will become protectionist. We will not have an opportunity to sell in the United States". What nonsense. What have we got? Absolutely no secure access to the United States. We have seen this with the disputes that have arisen: softwood, natural gas, pork, magnesium and now Honda. Our transplant auto industries are being threatened.

I ask Canadians to reflect on this. Did we have better access to the American market before the free trade deal came in, or today? We have a few other problems in terms of trying to attract jobs back to Canada. Where are they going to locate? Let us look at labour figures.

Look at days lost due to industrial disputes, including strikes and lockouts. We are looking at Canada compared to the G-7. Working days lost per 1,000 inhabitants, Canada is at the bottom of the list. We had 209 days average over that period lost. This was 403 times worse than the record of Germany, 99 times worse than Japan, 16 times worse than France, 4 times worse than in the U.K., and 3.4 times worse than in the United States, our competitor. We are even 2.7 times worse than Italy.

If we are going to have a labour record like that, how can we compete in a global economy? How can we even compete in North America if we are tying our hands behind our backs because we cannot get our act together, business, labour and governments.

This government has set a precedent in terms of its inability to deal as an employer with its own employees, the public servants. Last summer, it tried to limit them to wage increases of 0 per cent, 0 per cent and 3 per cent over a three-year period at the same time as the upper echelon were getting very huge increases. The government was not fair. It forced PSAC into a strike. It knew what it was that it wanted because it was going to get tough with them and order them back to work. It was political opportunism of the worst order. What is even worse is that it sets that example of how business and labour are supposed to take the example from government of destroying a harmonious working relationship.

As a result, labour has not opted in to the government's prosperity agenda. Labour refuses to be part of this government's attempt to deal with the issues of long-term competitiveness in Canada. I must say it was a pretty meagre effort because this government has postponed all action while it studies this issue rather than getting on to the job dealing with the problems of our economy today. There are alternatives. I have painted a very dismal picture of what has happened to Canadians and where we are going. A number of reasons for this emanate from the government's lack of a coherent, long-term and short-term economic and industrial strategy.

Unemployment is high in Canada today at 10.4 per cent. The United States has only 7.1 per cent and a Republican conservative administration there says that 7.1 per cent is too high, that it has to get it going, that it has to create jobs, and that the best social policy is a job.

What did President Bush do? He brought in a $150 billion transport bill, federal money amounting to $150 billion to go into creating roads and jobs immediately. If we translate that to Canada, that would be a $15 billion federal expenditure.

Our party has called for a $1 billion federal expenditure on municipal infrastructure, not only to give us sewers, roads and bridges but to create jobs immediately. This government refuses to do even that.

We brought in a request to stimulate housing. I am pleased that the government has dropped the down payment from 10 per cent to 5 per cent to get a home, but it has not gone the extra step in a way that will create meaningful jobs and meaningful activity in the housing industry. It has not yet accepted our proposal that if Canadians could take $7,500 out of their registered retirement savings plans and use it for housing we would have a proper stimulus. Why does the government not go further? It will not cost us any tax revenue. It will give us housing and it will create jobs.

Over the long term there are many things this government can do and should do in order to get our economy working. It should not be obsessed with the dollar that is at 84 cents and is falling. Our dollar should be lower. It was much lower when the government promised all the good things that would happen because of free trade. It was down around 75 to 76 cents.

Instead of cutting expenditures on education we should be investing in our human capital, our human resources, the only real source of wealth creation in the global economy today. If you think the cost of educating Canadians is high, Mr. Speaker, I ask you to think what is the cost of not educating them. It is the same with training. People who are unemployed in my riding today are being told that they have to wait until September to go to a community college to learn computer skills. Why can they not get those jobs immediately? Why can they not get that training immediately?

Turning to research, development, science and technology, again this government has cut back in all of these areas. In the human element, the creative element, the dynamic element of our economy, the government is cutting back and we are falling. We are now among the lowest of all the research and development countries in the OECD. We are falling. Our competitors are more than twice our level and they are increasing. Does this bode well for young people and the jobs they are going to have?

Our task force suggested a buy Canadian program. We believe we are in such difficulty economically that all Canadians could help if they would look at the goods they are buying and make a conscious effort where price and quality are comparable to ensure that they are buying Canadian and giving us Canadian jobs. This is critical to get us going.

We need amendments to our trade deal so that we can have in Canada our own industrial strategy. We need amendments so that our energy can be used as part of our industrial base. We have to make sure that our key industries, particularly smaller ones that have developed technology and those with government support in many cases, can remain Canadian and reinvest in this country.

• (1240)

Many Canadians have lost faith in this government but they have not lost faith in themselves. They have not lost faith in Canada. Let us get Canadians working again. Let us equip Canadians to meet the challenges of a global economy.

I believe we can be the best educated, the best trained, the best equipped and the most advanced economy in the western hemisphere. This is our Liberal vision for Canada. It is time we started to work toward it.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I listened with great interest to my hon. friend's speech this morning.

He pointed out a number of problems that Canada is facing today. It is; there is no question about that. But I tend to be a little more optimistic about this country than he does.

Let us go back and talk a bit about what he was saying. He was talking about the lower dollar back in the mid-1980s and so on when we had a lower dollar. I think he will admit to me, if he has a moment to listen, that Canadian businesses frittered away a lot of that lower dollar in jacking up salaries. There were very generous salary increases during that period of time. They did not in fact reinvest in infrastructure and restructuring at that period of time and are now forced into it, which we are seeing on a daily basis. I think he would admit that when he takes a look at the statistics during that period of time.

The Economic Council of Canada came out with a report covering that end of things. There was an editorial in *The Gazette* of Montreal of February 17 headlined: "The Economic Enemy is Us". I do not think there is any question that we have had some economic problems over the last two years. Nobody is minimizing that, but so have other countries in the world. We are all in this together and we are all trying to get out of it the same way, by getting our basics right.

He was today bragging about the United States and the position it is in. Its deficit this year is going to be far greater than the Canadian deficit. It will be almost double per capita what it is here in Canada. That deficit has been growing rather dramatically over the last few years under President Reagan and President Bush.

The United States is now getting into some problems of servicing that debt. As the president said the other day, "maybe some of us should start paying attention to this thing called deficit and debt that we have in the United States" because we are.

The reason that Canada is projected to come out of this world-wide recession as a leader is that we have been getting our basics right, because we have battled the deficit. As a matter of fact, the deficit is now one-half what it was in the economy when we took over. It was a little over 8 per cent of the Canadian economy and now it is a little over 4 per cent. We have battled it.

It has been a tough fight with the spending pressures that come to any government. We have faced them and we are continuing to face them. We have been battling the deficit. We have been battling interest rates to get them down. I find it rather amusing when he says: "The government forced the interest rates up to some 14 per cent". It is not at the dizzying height when he was in government at 22 or 23 per cent.

Mr. Peterson: I wasn't part of that.

Mr. McDermid: I know you were not proud of that; none of us were. You had to combat a problem at that time of high inflation. That was the way that you did it and we learned our lesson from the previous administration. When we saw inflationary pressures starting to be very significant in this country—we did not want it to get to 13 per cent like the previous administration did—we took some tough medicine. We put interest rates up to slow down that inflation rate. We have done that. We have done that. We have set inflation goals which are being met and in fact surpassed so the price stability which we need in this country is there. That is very important, and we are keeping interest rates down.

My hon. friend talked about the rise in the bank rate in the last three weeks. That is right. He knows exactly why that was done. To put another image on that, he should read the speeches of his leader when he was finance minister. He very readily admitted at that time, and still does, I believe, because he gets these things quoted back to him from time to time, that one of the problems of being in government and then opposition was that you got these quotes coming back to you from time to time.

He said that the only time the Bank of Canada intervenes is to level out the peaks and valleys but that the dollar is at market level. He is right. The Leader of the Liberal Party is absolutely right. That is what is being done now and the hon. member knows that. The prime is still at 7.5 per cent, the lowest level in a decade—I guess in 20 years, almost—and is holding there at the present time.

Mortgage rates are down. Do we want to compare prime with prime? The American prime is 4.5 and ours is 7.5 per cent, a 3 per cent spread. It was 6 per cent and now it is 3 per cent. The spread has narrowed rather dramatically. It is getting very close to the traditional spreads we have had all along. The hon. member knows that too.

Another thing happened during the mid-1980s. I believe our government was as much at fault as any, by the way. I want to make that clear. In the mid-1980s we had golden opportunities in this country to trim down the size of government and to watch our spending. The federal government did not do a bad job. We maintained our spending increases to 3.7 per cent. That is not what the public is saying to us. It does not want increases; it wants reductions. We were holding our increases to 3.7 per cent during that period while at the same time increasing our payments to provinces at an average of 6 per cent.

I know my hon. friend has some familiarity with the province of Ontario because his brother was the premier for a period of time. During that time there was a 10 per cent increase a year on average. Spending was increased by 40 per cent over four years in that province because the money was coming in and the province was doing extremely well. A tremendous number of jobs were created during that time. Both the premier of Ontario and the Prime Minister of Canada took credit for that, as politicians will.

We probably frittered away a lot of that time. We probably could have been a lot tougher federally. I know the provinces could have been. I think there was only one province that did not increase spending more rapidly than the federal government, and it was the province of Alberta. I think it maintained its spending at around 3.4 or 3.5 per cent a year and managed to hold it down.

What I saying here is that we are in a period of time where the basics are all coming together. Today the quarterly review in *The Financial Post* says that the recovery is now in sight. That is happening. We are seeing signs everywhere of that happening.

I am sure my hon. friend who has put this motion before us wants to see that recovery. I do not think he is one who takes great happiness in going through a recession. I hope not. If recovery did not come this year, he would probably politically like that because it would give him a better opportunity at the polls the next time.

Knowing the hon. member as I do, he would like to see a good recovery this year. We believe that we will have recovery this year. We have the basics in place which are extremely important because with high inflation and with high interest rates we cannot hope for recovery. We have those in position now and I feel very confident that in 1992 we will see increases in our growth here in Canada, to the betterment of all of Canada.

• (1250)

The hon. member talked about energy today. He touched on the energy situation. It seemed to me that he was ready to advocate another national energy program like the Liberals. I am not sure if I read that into what he said on energy.

If he looks at heating prices on natural gas and oil, the hon. member will see that the price of heating homes has gone down since the National Energy Program was wiped out, and has remained relatively constant or even lower now than it was. This has helped the economy. It has helped industry which is a great user of energy.

We cannot say the same for electricity because that has gone up. But when you see oil and natural gas prices, you will find that those prices are lower today than they were back in the days of the National Energy Program.

It all has to do with the cost of running businesses and competitiveness. I am sure my hon. friend understands that, coming from Edmonton.

The Libertal Party and the New Democratic Party rhyme off all these numbers about job losses, and it depends on whose speech you listen to. One will say that it is because of the free trade agreement that all these jobs have been lost. Another will say that it is because of the goods and services tax.

Yet business and industry are the ones that asked to do away with the manufacturers, sales tax and to bring in a consumption tax. They were the ones that recommended it over a very long period of time, as have royal commissions and so on.

They also were the ones that advocated a trade agreement. I debated the free trade agreement for a very long period of time across this country. Anybody who checks what I said or what my colleagues said on the free trade agreement will find that we said that the free trade agreement will not prevent trade disputes.

An hon. member: Secure access is what you promised.

Mr. McDermid: Mr. Speaker, I sat very patiently through their comments and I would expect the same—

Mr. Riis: Mr. Speaker, on a point of order, if our hon. friend is correct, he said that if we had some things to say he would be prepared to sit down and relinquish the floor to members opposite.

I would like the floor because I would like to react very quickly to some of the points he has been making.

Mr. McDermid: Mr. Speaker, my hon. friend will have an opportunity to debate later today. I would like to make my points and then I will listen patiently to what they have to say.

I sat very quietly and listened to my hon. friend from Willowdale and I expect no less from my hon. friend who stands up in the House, who is the House leader for the New Democratic Party and talks about the need for more civility in the place. Yet he is the one leading the heckling this morning. All I am saying is: Give me the opportunity to deliver my speech and I will listen to yours.

There is my hon. friend from Broadview—Greenwood. One of the things we have talked about recently in the House is trying to make it a more civil place.

People out there who are watching wonder about the heckling going on. To be fair, I can say that one of the biggest hecklers in this House has been me. I will tell you that I have not heckled once since the House resumed, not once. That was a commitment I made to try to make this place a little more civil. Now, why does the hon. member not do it? He is always the one saying that the House should be more civil.

Getting back to the subject of the debate today, when we discussed the free trade agreement we never said that there would not be disputes. We always said that there would be disputes, naturally. That is why we put in a dispute settlement mechanism. We have been very successful with the dispute settlement mechanism.

We believe we will be successful again with the Honda dispute because we think the figures that the Americans are using are flawed.

There is an election going on in the United States this year. Every congressman and one-third of the senators are up for re-election, as are the president and vice-president of the United States and things heat up at that time.

My friends in the New Democratic Party know about the labour unions and how they put the pressure on at election time for this, that, or the other thing. That is going on in the United States today.

As a matter of fact, I would say that with the split of the United Auto Workers in the United States and the Canadian Auto Workers in Canada, we may be seeing some of that coming back to haunt us a little bit now because the American unions have no allegiance to their brothers in Canada any more.

They are putting the pressure on their congressmen to pull all kinds of stunts, and this one with Honda, as far as I am concerned, is just that. It is political harassment of the auto industry. With the dispute settlement mechanism, if it gets that far without being solved, it will be solved and it will be solved in our favour. I have no doubt about that whatsoever.

I listened to my friend from Willowdale talk about his and the Liberal Party's solution to what is going on today. They say it is their idea for the RRSP money. It is not their idea at all. It came from the Canadian Real Estate Association.

The 5 per cent down payment came from the Canadian House Builders Association. It did not come from the Liberal government at all. It is not its idea at all.

The municipal infrastructure, which they are laying claim to now, did not come from them at all. The Association of Municipalities has been asking for that for four or five years. That is nothing new.

I get a big kick out of my friends across the way who take credit for these supposed solutions to our economic problems. I just think back to the old days when the Grits just threw money at things and that was the way we solved problems. We have proven that that is not the way to solve problems.

Better use of the resources available is the answer for governments today, to free up the private sector which creates the jobs. It is the private sector that makes things happen, not the Government of Canada or of Ontario or the municipalities.

We have to provide the proper basics for industry and small businesses to produce and to create the jobs and that is exactly what we are doing. We are getting their costs down with lower interest rates. We are getting inflation down so they do not have those pressures for higher salaries and higher prices and so on, so that they can continue to compete.

As a matter of fact, talking about competing, our inflation rates, which will be out very shortly for January, are going to show a dramatic improvement for Canada. That helps everybody. It helps the people on fixed incomes. It helps the people with small and large businesses. This is something that is very, very important. When people realize we are reaching our goals, they will be very, very pleased.

This government has lowered interest rates, got the inflation rate down, but we can sabotage the strides that we have made very easily. We cannot give in to the opposition's quick-fix solutions with its return to surging deficits and debt.

Their approach is no foundation for stable economic growth and real job opportunities. They talk about make-work projects, not long-term, real full-time jobs. Instead, it is like taking a pain killer to heal a broken leg. You may feel good for a while, but it does not do anything to cure the problem.

• (1300)

In closing, instead of the feeling of despair that the opposition gives today and instead of encouraging false solutions, the opposition should be working with us to bring Canada sustainable growth and prosperity. It should work with us to renew the confidence in Canadians to feel that we are on the right path to renewed recovery and job opportunities.

The United Nations said that we are the second most desirable country in the world in which to live. Let us all work together to get to number one.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened attentively to the Minister of State for Finance and Privatization.

Some of his remarks I agree with. The approach of putting basics in place is one that all members of this House would agree on. We are all focused on deficit and debt. I have heard the minister say before that the government's inflation targets are ahead of schedule.

We on this side of the House are listening to people. I am sure the minister is also listening to people who are in the ranks of the unemployed, people on welfare, people whose businesses are in perilous conditions.

They are hearing this government boast of inflation targets ahead of schedule and the lowest interest rates in 20 years. There is a new statistic here today that the actual deficit in relation to the Canadian economy from 1984 to today was reduced from 8 per cent to 4 per cent. That is a new number for me. I take it that is what the minister said in his remarks. It is a new number for me. It is another signal to me that things are heading in the right direction.

The question I would like to ask the minister on behalf of the three million people who are out of work—and currently the government is funding that sector of our nation to the tune of almost $30 billion between UI funds and welfare—when is the government going to let up and realize that we cannot leave those three million people hanging forever?

We must institute immediately some measures that will get these people back to work. You cannot attack the deficit and debt of this nation when you have three million people not working.

When will the government relent on ratcheting down inflation and start focusing on putting people back to work?

Mr. McDermid: Mr. Speaker, the hon. member has not come up with any suggestions. Is he saying that now that we have got inflation down and now that we have interest rates down—we have the basics there—then the economy is going to start working? We see all kinds of signs of that now. Talk to people in business. They are now getting orders. They are getting calls for proposals and so on that they have not seen in the last year and a half. It is starting to happen.

My hon. friend brings up a figure of three million people out of work. I am not sure where that number comes from. We will not debate that. But the policy that the Liberals want is to borrow money—

An hon. member: No.

Mr. McDermid: Oh, yes. You do not come up with a billion dollars just like that unless you increase taxes or borrow money.

Mr. Mills: You are spending $30 billion on unemployment and welfare now.

Mr. McDermid: Okay, now he wants us to raise taxes or borrow money. That is how government gets its income. Let us be frank about it. He says there are three million unemployed.

Admit that the proposals of the Liberal government would only create jobs for 70,000 people and only part-time, make-work projects that would run out in a short period of time.

An hon. member: Like Katimavik.

Mr. McDermid: Like Katimavik, yes, exactly. That is exactly what the Liberals are saying today. I have unemployed people in my constituency who I am extremely concerned about. I have businesses that are failing, but I have businesses that are being created as well.

I can tell the hon. member that we are poised to gain recovery. I am not saying this. The Economic Council is saying it. The OECD and individual think-tanks across this country that have the knowledge are saying it. It is not the government that is saying it. As a matter of fact we are more conservative in the projections we are making than some of the other organizations making projections. Every one of them says we are going to have a better recovery than any other country in the world going through this recession.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I listened carefully to my hon. colleague in his commentary. I heard a request for specific suggestions for steps that could be taken now to alleviate some of the suffering and pain people are experiencing as a result of the recession.

I want to ask my friend the following question. One of the programs we have found to be very successful in Kamloops comes under the umbrella of the Community Futures initiative whereby some individuals who are presently jobless and collecting unemployment insurance are able to get permission to start up a new small business. As a result, over 400 new enterprises have been initiated in the Kamloops area in the past number of months. Today they are small businesses and are thriving. They employ people who were previously on unemployment insurance, as well as a number of other people and of course that helps other businesses.

A second related initiative under the umbrella of Community Futures allows small businesses to borrow up to a maximum of about $70,000 to start a new venture, product line or some new initiative in the hope of expanding and diversifying the local economy. Again this has been very successful.

Considering the excellent track record and the long list of successes that have resulted from these two programs, and the fact that the government is continuing to fund these programs, would the minister not consider it to be the kind of initiative that ought to receive additional support? If we can start 400 small businesses in the Kamloops area alone over the last number of months with the existing limitations, why not open that up to allow more opportunities? Why not provide more funding? Again, these are not grants or gifts. These are loans that will all be repaid.

Why can we not expand that program significantly because of the tremendous success it has experienced, particularly in the local economies?

Mr. McDermid: First of all I want to thank the hon. member for his compliments. The Community Futures program was brought in by the Minister of Employment and Immigration of the Conservative government. I am pleased to hear of its success. It is meeting success across the country in various areas.

I guess my answer to my hon friend is that we have a certain amount of money. The pie is there and we divide the pie up. If I am going to give more to that program, I will have to take it away from another program. I am going to have to make those decisions within my budget allocations. That is something the minister responsible for that area does, because he is also responsible for training and retraining.

We have heard how badly Canada trains and retrains its work force. The government tends to put all the money into these things, while the private sector is not doing the training and retraining it should. We do half of what they do in the United States, one-quarter of what they do in Japan and a one-fifth, I think, of what they do in Germany.

We put money into training and retraining, we put money into Community Futures and myriad programs within that ministry. All have met with success, some maybe more than others, and I am pleased to hear that compliment. I want to thank my hon. friend. When you put more money into a program, you have to keep it within the fiscal framework. You have to decide where they go when you make up your budgets. I am pleased to hear they have been successful, and I will pass that on to the minister. I know he will be very pleased to hear about that, and hopefully he may be able to find more money within his fiscal framework to help that program even further.

• (1310)

Thank you for the compliment. We appreciate it.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on a point of order, my hon. friend must have misunderstood. He knows there is no government money in the unemployment insurance program when he says he will try to find additional funding. I am suggesting that he simply unleash some of those restrictions or shackles the small entrepreneur has as a result of government policy to allow a more flexible use of the unemployment insurance program. I am not asking for any additional expenditures.

Mr. Ross Harvey (Edmonton East): Just to begin, Mr. Speaker, I would like to advise you, and through you the House, that it is the intention of the New Democratic caucus, as its members come forward to speak, to split their speaking time in half. Instead of speaking for 20 minutes and following that with a 10 minute question and comment period, it is our intention to have two speakers per slot, with each speaker speaking for 10 minutes followed by a 5-minute question and comment period, with your kind indulgence.

I should start by regretting the fact that the good news, as the hon. minister took it from my esteemed colleague representing Kamloops, will unfortunately be the only good news he hears in the next little while. The fact of the matter is that the various economic and—I use the word advisedly—developmental policies pursued by this government for the last several years have proven to be little short of a complete and total disaster for the ordinary working people of this country.

It somewhat surprises me that the members of the government continue to evidence a complete lack of the most basic understanding of the horrifyingly clear trends.

It is odd, to say the least, that they seem unable to detect the correlation between the maintenance of the high Canadian dollar and the record number of business bankruptcies.

It seems odd to me that they fail to detect the correlation between the implementation of the free trade agreement and the disappearance of hundreds of thousands of jobs.

It strikes me at least as odd that they apparently continue to be unable to perceive the correlation between the continued high interest rate relative to the United States and the blossoming array of personal bankruptcies in the provinces and territories across this country.

What would be painfully obvious to a child in grade school continues, through some bizarre alchemy, to elude the members of the government. I think it is for this reason more than anything else, that the Canadian people have been subjected to the wanton fiscal and monetary madness that has gripped this country in the service of the government for the last several years.

I would briefly like to tell you, because I represent the riding of Edmonton East, some of the things that have been going on in Edmonton and Alberta. I will start with the unemployment rate. That is easy enough to comprehend.

The unemployment rate for Edmonton, the capital of the oil province of Canada, for January 1992 hit 10.9 per cent. There are only six other cities of the 25 surveyed by Statistics Canada that have an unemployment rate higher than Edmonton. Edmonton has the seventh highest surveyed unemployment rate in the country. That includes all of the cities in the maritimes and most of the cities in Ontario and Quebec.

From January of 1990 to January of 1992, Edmonton's population increased by 3.4 per cent.

The number of people unemployed in Edmonton in that same period increased by 39 per cent. This is not an accident. This is not something that has happened totally by the will of God. This is a consequence of government policy, and it hurts people. It hurts them very, very badly. It kills some of them.

1991 was a bad year. Evidence of this can be found in the newspapers and other news media of Edmonton. I would just quote briefly from a story that appeared in *The Edmonton Sun* on January 12 of this year, entitled "A Year of Hardship". It says: "Alberta merchants suffered a $5 million drop in sales, the bulk of that in department stores from June to July according to StatsCan. By August, it dropped $11 million. In December, StatsCan reported retailers took a whopping $87 million hit to their bottom line, the biggest plunge in the country".

The story goes on: "The oil patch is headed for an even bleaker year", says Hans Macie, vice-president of the Canadian Petroleum Association. The article quotes Macie as saying: "1992 is going to be the toughest year but hopefully that will be the bottom". Indeed we are deeply hopeful that will be the bottom.

The article goes on: "At the close of 1991, thanks to seven years of low commodity prices, Alberta farm bankruptcies had already hit a six-year high".

On February 5, just a couple of weeks ago, *The Edmonton Sun* published a story called: "Bankruptcy records busted". "These are the highest bankruptcy numbers we have ever seen", said Edmonton Consumer and Corporate Affairs spokesman John Proctor. "In Alberta, there were 6,814 bankruptcies recorded last year, up 39 per cent from 1990", Consumer and Corporate Affairs says.

"Edmonton suffered 2,575 consumer and business bankruptcies in 1991, also a record," the agency reported. "New Alberta records were set in both October and November. January is going to be the highest month ever in Alberta", said Mr. John Proctor.

The Edmonton Journal of February 6, from a story "Speaking of the oil patch" noted: "Total industry job loss over 10,000 people in three tough years". Roughly 90 per cent of the lost jobs were in Alberta.

As Gerry Protti, the executive director of the Independent Petroleum Association put it: "When drilling crews are not working, hotels, restaurants and truckers lose business along with every other service outfit involved with exploration".

Lastly, lest people be tempted to swallow the snake oil being vended in this Chamber this morning by people who insist that recovery is just around the corner, how long have we been hearing that? Six months? Nine months? A year? Sixteen months? How long has the recovery been just around the corner? That corner seems to have more sides than can be geometrically calculated.

The headline from *The Edmonton Sun* of February 14, last Friday, said: "Edmonton's Next Wave of lay-offs forecast". It notes that Murray Wade, a client services consultant with Right Associates, speaking to an overflow crowd at a Personnel Association of Edmonton luncheon said: "If the government lives up to its promises in financial cutbacks, you will see real jobs disappear. In our middle and large-scale industries here, I think there are punches that are coming there as well".

The happy talk is due to be blown away, as has all the other happy talk of the last year and a half. The government remains fixated on elusive monetary goals and in pursuing them has harmed real people.

According to the 1986 census, and I have no doubt it has become worse since, mine is the 14th poorest riding in the country. When I go back to my riding and walk and drive through the streets, I see the unemployed in my neighbourhood. I know the unemployed. I get an unending stream of the unemployed in my office.

They are the casualties in this blind war against punitive inflation. As we wrestle inflation down, we crush the unemployed into the mat. The policies that this government has been pursuing must end. They must be reversed if for no other reason than it must be crystal clear by now to anybody that an economy exists to serve people. When you have better than 10 per cent of your work force out of work, thrown on to the street, your economy is not doing that. It is not serving people; it is harming them. That is what must stop.

• (1320)

If the government in all its assembled wisdom cannot figure out a way to do it, then it should step aside and let those with ideas who can get in and do it.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I listened to 10 minutes of interesting statements, but I did not hear one solution come from the New Democratic Party, which is kind of interesting.

The hon. member talked about the high Canadian dollar. I want him to say to the House what level the dollar should be at, and is the New Democratic Party set to peg the dollar? Is that its policy?

The member talked about low commodity prices for products. I gather he was talking about grains and oilseeds. He was talking about natural gas, oil and so on. I want to ask the hon. member: Are these prices not set on a world basis? Do we in Canada not have to follow those world prices if we are going to sell our products? If we are going to get the drilling rigs back into the field they are going to need a market. As he knows, consumption has dropped rather dramatically. The hon. member's party has advocated less consumption. That is part of conservation. We all supported that. I think the hon. member would do that. That had an awful lot to do with commodity prices dropping.

Therefore, are commodity prices not set on international prices? It really cannot lay that one on the Canadian government.

The third thing he talked about was bankruptcies. Personal bankruptcies are up in this country. There is no question about that. Most of the experts, people outside government, say that Canada went on a credit binge for that period time and it is now catching up to us.

Business bankruptcies, fortunately, were down 3 per cent in 1991. That is slowing down, and I am pleased to see that. I am concerned about the personal bankruptcies. Again, would the hon. member not admit that an awful lot of that had to do with a credit binge in a period of high inflation, high growth, the period in the mid-1980s when people spent a tremendous amount of money?

I will just ask those three questions because he only has a couple of minutes left.

Mr. Harvey (Edmonton East): Mr. Speaker, in fact there were four questions. I must apologize to the hon. minister in advance if I do not get through them all in the time remaining. However, I will take them each in turn.

First, on positive proposals for new policies, I do not see how anyone could have sat in this House for the last year and failed to note the array of policy proposals put forward by the New Democratic Party, most of which were repeated time and time again, everything from the taxation proposals made by the hon. member for Winnipeg—Transcona to the economic development proposals made by the hon. the member for Essex—Windsor to a variety of others, including all those persistently advanced by the Leader of the New Democratic Party, the hon. member for Yukon.

For the hon. minister to stand in his place and say that he has not been able to see any proposals coming across the way from the New Democratic Party really confirms my belief that they have a great deal of trouble seeing all sorts of things that are right in front of their noses. By the way, some of these suggestions will be repeated in a similar form prior to the introduction of the budget. We are going to give you another chance. We hope you see it this time. We hope you act on it this time.

Mr. Speaker, I must apologize for not using the third person there. We are resigned to the possibility, nay the probability, that once again these proposals will be ignored. But this will not last forever. There is an election coming and changes will be made.

As to the dollar, the simplest thing to do, of course, is to unpeg the dollar, not to use the Bank of Canada and its Thursday spending spree to keep the interest rate high. Once you let the interest rate drop and indeed encourage it to drop to a level of perhaps a 1 to 1.5 percentage point spread above the American interest rate, which would still be sufficient to keep our paper more or less attractive, your dollar will fall. You bet it will fall. To where will it fall? Who knows? The best guess is somewhere between 75 cents and 80 cents. Is that going to make imported goods more expensive? You bet. It is also going to spur Canadian industry like virtually nothing else that could be done by any government.

If it comes to a choice for the Canadian people between paying another $100 for a VCR and having a job, my guess is that they will take the job and to hell with the VCR.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I appreciate the opportunity to participate in debate on the motion of my colleague from Willowdale.

Members of the NDP were supposed to go again. They do not have a speaker, so I guess I should just continue. They are once again losing their sense of practicality.

This morning on my way to Ottawa, I got into a cab. The very first question I asked Joe Lally, the cab driver, was: "Joe, what is wrong with Canada?" He said: "Dennis, the problem is the politicians".

The Acting Speaker (Mr. DeBlois): Order, please. I want to ask the hon. member if he has split his time or—

Mr. Mills: No.

Some hon. members: Go ahead.

The Acting Speaker (Mr. DeBlois): For 20 minutes, the hon. member for Broadview—Greenwood.

Mr. Mills: Mr. Speaker, I am speaking for the Liberal Party. I am not speaking for the New Democratic Party today.

Mr. McDermid: Something new and different.

Mr. Mills: The minister of state for finance has strong influence on my views.

As I was saying earlier, the cab driver this morning said: "The problem with this country is the politicians". He said: "They send out a signal that they do not care. They send out a signal that they are living up here in an ivory tower. They send out a signal that they are not listening to people and that they have no common sense". He also said: "And there is absolutely no sense of urgency".

This had an influence on me this morning because we are talking about a man who probably listens to 300 to 400 Canadians a week from all walks of life. A cab driver in a major urban centre like my city of Toronto will meet and service people around the clock from all walks of life. It could be senior citizens going to the grocery store. It could be rushing families to the hospital or a doctor's appointment. It could be businessmen rushing to a meeting or rushing to the airport. I have always had tremendous respect for the cab drivers of this country. I think they have a pretty good pulse as to what is going on in the nation.

As I reflected on Joe's words, I started to think about what has been going on here in this House since we came back after the Christmas recess where we were working in our ridings. Quite frankly, when you review the last two weeks, and this is the beginning of our third week, what have we done in this House of Commons to relieve the unemployment in this country? What action have we taken to show Canadians that we understand the sense of urgency, the sense of pain? If you have reflected on that over the last two weeks, you have had a tough time. What do we do in Question Period every day? What do we accomplish? This place is a mirror of the mood of this nation. It is not a very productive mood right now.

• (1330)

I listened to the Minister of State for Finance and Privatization. He gave some numbers which were sound numbers; inflation targets ahead of schedule, interest rates at the lowest in 20 years. I am not going to debate those numbers. I think those are hopeful numbers. At the same time, he did not add into his mix some specific initiatives that the government was going to take to get people going, to get people working again.

One thing he did say in his speech is: "We want to put the onus on the private sector to rekindle job creation in this country". The private sector right now is not really hiring. Its members do not have the confidence. They do not feel that the direction that we are heading in is one of sustained economic growth. They do not see this recovery that the minister talks about. They are hoping that it is there but they do not feel it. As a result, we have 1.7 million businesses in this country which are not taking that leap of faith.

I have said repeatedly in this House of Commons that the entrepreneurs of this country are our greatest hope for new job creation. The minister is nodding in agreement. The entrepreneurs are saying to me: "We need more of an incentive. We need more of a boost". They are not responding to this government's policy initiatives.

The minister said earlier that we on this side of the House are promoting more taxes. That is categorically false. We are not promoting more taxes. We are asking for refinement of the current tax system so that it is fairer and simpler. No one on that side of the House will debate that is something achievable if we work harder at it together.

We are not suggesting on this side of the House that we should add more debt or more deficit. There are ideas that exist and have been presented by members of this House of Commons to the government where there has been absolutely no reaction to them.

Last week, on Friday, the member for York South—Weston put forward ideas. I put forward ideas that the hon. Minister of State for Finance and Privatization worked on when he was in opposition when he was on that task force on new job opportunities for the eighties, "Work For Tomorrow", with 184 recommendations from retraining to municipal infrastructure, you name it. The member for Brampton was a part of that committee. He is well acquainted with those 184 ideas that when he was in opposition he presented to the government when we were the government.

When we were the government we acted on a lot of those recommendations. I will be specific on one. The member for Winnipeg South Centre was the minister of employment.

At that time, the hon. member for Winnipeg South Centre had a specific idea called the NEED program, where we used money that was already going into unemployment insurance and welfare. We told the millions of entrepreneurs out there that if they took someone off UI, put them on their payroll and retrained them, we would subsidize their payroll equal to the disbursement we were already paying from the UI fund.

That was one of the most successful job creation programs this country has ever seen and was implemented at a time when people were crying out to be put back to work. Now we have 1,7 million entrepreneurs. Just imagine if each one of those companies hired one person. Just imagine if we could switch the $30 billion we pay out on UI and welfare from one side of the ledger to the other by putting it into the private sector. When we subsidize it for a year, at least people are working. When they are working they have their dignity back. When they are working they are paying taxes. They are buying food and clothes and the whole will of the country changes.

If the member were serious when he asked for ideas earlier, why not review his own task force he worked on when he was in opposition, with the 184 ideas? Why not put them before this House and let us go through them, recommendation by recommendation. Let us get this country back to work.

An hon. member: Good point.

Mr. Mills: Why not review the NEED program which we know has a winning record because we tried it? I am not suggesting the government would not look at it because it was a Liberal plan. Who knows? Maybe it was not even a Liberal idea. Maybe it was the hon. member's. I do not know. I do not remember. The government has to understand that Canadians have the kind of feeling you have when you go into an emergency ward in deep pain. They do not want the doctor to tell them to come back in three months when the economy is recovering. They want service. They want attention. They want caring right now. We are begging this government to please listen to what Canadians are asking us to present to you. Please go back into your files, dust off some of those ideas and have the courage to implement them.

An hon. member: Hear, hear.

The Acting Speaker (Mr. DeBlois): I want to be sure whether the opposition party is splitting its time.

[*Translation*]

Mr. Gagliano: Mr. Speaker, as my colleague mentioned, from now on, members of the Official Opposition will share their time, ten minutes and five minutes for questions.

The Acting Speaker (Mr. DeBlois): We begin the five-minute period for questions and comments. The hon. Minister of State for Finance and Privatization.

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I do not want the hon. member to leave the impression that this government has done nothing to help individuals when it comes to the employment situation. Earlier we heard my hon. friend from Kamloops talk about the Community Futures program which gets people off unemployment and into businesses and encourages them to hire. There are programs available to do that.

The hon. member is entirely right. There were 184 recommendations. I am glad he could find one that the government acted on, because my colleague from Notre-Dame-de-Grâce was the chairman of that particular committee and was very concerned about the lack of action taken. I would agree with the hon. member. I think it is still a propos today. Our committee was faced with a high unemployment rate at that particular time, yet we did not have the skilled people to fill all the available 300,000 skilled job openings last year.

That is exactly why that committee was set up. A lot of the recommendations were for the private sector to train and retrain. Now this was back in 1980, 1981 and 1982 when we did this study, and it is still pertinent today. I thank the hon. member for bringing it forward as a suggestion. I think there are some good opportunities there for the government to act. I suggest he be a little patient until the budget, which is not that far away, to see exactly what the government plans to do.

• (1340)

Mr. Mills: Mr. Speaker, the member just made a statement. He said to be patient until the budget. That is a tough thing to sell when people are really scraping. Let us just take the province of Newfoundland as an example, where things are in desperate shape. Colleagues in our caucus from Newfoundland told us recently that people are actually closing homes and moving in together to save on hydro and heating. They are sharing and trying to get through this crisis together. When my cab driver friend from downtown Toronto said that we live up here in an ivory tower, he was not just referring to situations in Toronto. He had heard from friends in disadvantaged regions of this country where the state of desperation is worse than any catastrophe that has ever happened in any emergency ward of any hospital. And they want us to act on it now.

Now, Now, Now, has to be the operative word. That is what we are humbly suggesting to the government. The minister says to wait for the budget. It better be good because he is hanging a lot on it.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Very briefly, the hon. member for Gatineau—La Lièvre.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I heard the minister say that more than 300,000 jobs were not filled because of a lack of technical or other skills, and in fact I am familiar with these figures. I would therefore ask the hon. member who just made a number of suggestions whether he would agree this is the right time to have a national service for young people who are 16 and over, have left school without finishing high school, have no trade, no jobs and as a result no future. Would the hon. member consider the concept of a national service, for two years at least, to give these young people a chance to acquire some kind of technical or other skills in order to fill the jobs to which the minister was referring?

[*English*]

Mr. Mills: Mr. Speaker, in a brief answer to that, respecting all of the concerns of deficit and debt, we in the Liberal side of the House share the view of many in this House—my colleague from York North has mentioned this before, as you have mentioned—that we should return to the idea of a Company of Young Canadians.

Some hon. members: Oh, oh.

Mr. Mills: Now, listen here. You put an idea forward and look at the reaction.

An hon. member: It didn't work.

Mr. Mills: Of course it worked. It created some of the greatest leaders this country has ever produced. I would modify it and not have those projects, in terms of Company of Young Canadians, with a special environmental thrust. I would shoot those Canadians all over the world. We are missing opportunities all over the world in terms of trading advantage because this government has cut the PEMD funds and the training funds. We have to get back to basics.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. DeBlois): Resuming debate, the hon. member for Saint-Léonard for 10 minutes.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, the motion before the House today condemns the Conservative government for its economic incompetence. Its glaring incompetence is responsible for the current recession, and that is why I have no hesitation in supporting my colleague's motion. In fact, I would like to start by congratulating the hon. member for Willowdale, Ontario, for presenting this motion and leading off the debate this morning that will continue throughout the day. I realize that his province's economy has been seriously weakened by the Conservative government's unsound economic policies.

I understand why my colleague from Ontario is so frustrated, because Quebec is feeling the effects of this government's disastrous policies as well. In fact, the entire country is in the middle of one of the worst recessions in our history. The only difference between this recession and the depression in the thirties is that today we have social programs to help people in need, people who are unemployed and living in poverty.

In Canada tax increases, the GST, the free trade agreement with the United States, an absurd monetary policy and cuts in transfer payments to the provinces have depressed both supply and demand. The Tory Government is aiming for zero inflation. Inflation had to be brought down at any cost, and it is the fight against inflation and the means used to that end which are partly responsible for the present economic recession and for the many victims that have fallen along the wayside. The victims to which I refer are the 62,227 consumers and 13,496 companies that went bankrupt in 1991.

I also said there were 1.5 million unemployed in this country, and this is not counting those who have given up looking for a job and are no longer part of our unemployment insurance statistics.

The government's economic incompetence and the government's policies have managed to substantially reduce the purchasing power of the consumer. The government has eroded the incomes of Canadians to such an extent that they are spending far less. There are many reasons why Canadians are no longer spending. In the current situation, people who are unemployed do not have money to spend, and those who still have money are no longer spending because they are afraid of losing their jobs.

That is why today—I know we all are faced with the same problems—when we walk down the street in our ridings we see signs saying "store for rent", "store vacant", "closed", and our riding offices are crowded with people standing in line, waiting for us to help find them a job. Unfortunately there are no jobs, and the government is doing nothing about it.

It is a vicious circle. Why do we have so many lay-offs and factory closings? Earlier the minister of state for finance told my colleague from Toronto to be patient and wait for the Budget. Incidentally, not quite a year ago, on February 26, the former Minister of Finance said in his budget speech that this Budget was designed for economic recovery, a confident recovery that would lead us to prosperity. Well, this is one year later. Where is our prosperity? Where is the economic recovery the Minister of Finance announced in his budget? A few weeks or days from now, when a new budget is brought down, will the minister tell the House and Canadians again: Yes, we are on the way to recovery, we will have a terrific year, and we will have the highest growth rate in the world. How is that going to provide jobs for unemployed Canadians? What kind of answers does he have for all those Canadians and small businesses that went bankrupt and are still going bankrupt, because the government is doing nothing except causing more and more plant closing and bankruptcies?

Yes, Canadians are prepared to be patient for a few more days or weeks. But I hope the Minister of Finance and his cabinet colleagues will realize that action is necessary. It is easy to tell Canadians: "Wait, things are bad all over, we cannot do anything". If Canadians cannot go to the banks, which refuse to lend them money because they have no assets, where are they going to go? They cannot trust the leader of the government to give them hope, to intervene, so that people who do have jobs renew their confidence in the future and start spending. The unemployed would be confident that jobs would be created, the economy would gradually recover and we would finally have a country where everyone could find a job and would have hope.

• (1350)

[*English*]

About one month ago I received a letter from a young Canadian. I had sent out my householder reflecting on the current constitutional situation, asking my constituents to be patriotic, to continue to believe in Canada and to work together to keep this country together.

She wrote to me and said: "Yes, sir, I have been patriotic for so many years. I worked in the 1980 campaign for the referendum to keep this country together. It is two years since I graduated and I have been looking for a job. Yet I have not found a job". She asked me: "How do you expect me to be patriotic and to continue to believe in this country if after so many years of hard studies I cannot get a job?"

She told me of her experience going from one company to another and being asked whether she had any experience. After one year of searching she went back to the same company and was asked why after one year she could not get even six months of experience.

This is becoming kind of a vicious circle. We expect our young people when asking for a job to have experience. But if they do not start to work somewhere, how can they get experience? That is the issue we have to face today.

If we want to keep this country together, we have to give hope to Canadians, especially the young people.

In the next budget speech that the Minister of Finance will deliver in this House in a few days or a week or so, I hope that there will be that creation of hope, a real hope. Not like the hope his predecessor one year ago in this House on February 26 said the budget would create. He said it would stimulate the economy and would create prosperity the greatest prosperity we have ever had.

After one year we still have high unemployment, 1.5 million Canadians not working, a record number of bankruptcies, and every day we hear of closures of businesses and hundreds and hundreds of jobs lost. Canadians more and more are losing confidence.

Those who have no jobs, have no money to spend and those who have jobs, are afraid of losing their jobs. They are not spending and therefore stores and shops feel the effect. That is why in every commercial street that we go to, we see for rent and closed because of bankruptcy signs. That is very discouraging.

Mr. Speaker, you have signalled me that my time has expired. I want to say that I support the hon. member for Willowdale that now is the time, that the government has to act and to give hope to Canadians. I hope that the next budget which should be brought down as soon as possible gives hope to Canadians and, most of all, creates new jobs.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I appreciate the concern shown by the hon. member for Saint-Léonard for these important economic issues. In this connection I would be grateful for some clarification.

First of all, I may refer to the time when we were on our way out of a recession in 1981–82, when interest rates in this country as a result of major projects started at the time had risen to 23 per cent and inflation was around 13 per cent.

Today we are also at the end of a recessionary period. Interest rates are around 8 per cent or less and inflation is around 3.5 per cent. I notice that the members of his party, especially his leader, are promoting and defending a policy that favours major public works, including highway construction. They are also promoting the use of registered retirement savings plans to urge Canadians to spend more.

I have two specific questions about this policy of major works. First, some of his colleagues said that if Canadians could use their registered retirement savings plans, it would not create financial pressure because the funds would simply be transferred. But they forgot that these funds are already at the disposal of certain companies or trusts and are being used. If they withdraw them, these companies which are now using the funds will have to borrow elsewhere, so it will create financial pressure.

Second, concerning the major public works being advocated, I would like to know where the hon. member will get the money. Will it be from additional taxes? Or will it be by additional borrowing?

Mr. Gagliano: First of all, Mr. Speaker, I thank my colleague for his question concerning interest rates and inflation and the period around 1983, I suppose. I think if we look at interest rates today, because he talked about a rate of 8.5 per cent and 3 per cent inflation, that is the average interest rate now, but the rate varies depending on how good the customer is and the kind of loan. The average rate for an ordinary Canadian is about 12.5 per cent. We still have the same problem of the difference between current interest rates and inflation being 10 per cent. I just wanted to make that clarification.

In his two specific questions on registered retirement savings plans he talks about financial pressure. The problem we have today is that all financial institutions have tightened the screws because of the recession and many Canadians and companies are unable to obtain credit from the banks. There is no shortage of money, but because of the economic crisis they take fewer risks than when the economy is good. Allowing withdrawals up to a certain amount from RRSPs would encourage Canadians who have money tied up in such savings to go and buy a house and thus revive the economy and the construction industry. We know very well that the construction industry is a major driving force of our economy. Once the construction industry has revived and is doing well, the other parts of the economy will follow: labour and materials, 90 per cent of which are made in Canada.

Regarding infrastructure, I think my leader was clear when he announced this idea a couple of weeks ago. No, we do not want new taxes. Canadians are already taxed enough, but we even figured out that the money which the government has to spend on welfare and unemployment insurance could instead finance such programs and revive the economy, thus putting people to work, creating demand for new materials and stimulating the building industry in Canada. In that way we could not only do work that must be done in any case since our roads and sewers are in bad shape and we have environmental problems, but we could revive the economy without the government having to spend more than it would have to spend on welfare and unemployment insurance.

[*English*]

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, obviously I only have a couple of minutes barely to get started here. I guess in the time honoured fashion I would like to tell the hon. members what I am going to tell them after Question Period is over later on this afternoon.

What I am going to tell them is that there are very good signs about the economic recovery in Canada. I am going to elaborate on some of those statistics and those facts. Then I am also going to deal with the real competitive world that is out there and the stark realities that we have to face as a nation as we prepare for them.

Mr. Speaker, if I may anticipate two o'clock without moving more fully into my remarks, I would—

An hon. member: Talk a little slower.

Mr. Bird: I will try. Would you like me to continue, Mr. Speaker, or would you like me to call it two o'clock at this time?

Mr. Speaker: I want to thank the hon. member. It being two o'clock p.m., the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

HERITAGE DAY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, today is Heritage Day, a day on which we as Canadians have an opportunity to celebrate those elements of our past that remind us of our roots and reflect the bonds which we hold in common as a society.

Our rich and diverse heritage, a veritable myriad of traditions, ideas, values, objects, historic places and natural landscapes, provides us with the means to know and understand ourselves better.

In this time of crisis for Canada, a crisis which is as much cultural as it is political in its origins, we should take time to reflect upon the common denominators of our heritage and to give thanks for having the opportunity to live in a nation so blessed by history, by geography and by the traditions and values which we share as a people.

It is a contemporary reality speaking to us of shared experiences and values, whether these are rooted in the rich history and culture of our aboriginal peoples, the traditions of Canadians of English and French speaking origins, or the distinctive cultural contributions of the many citizens of other ethnic origins who have willingly chosen to make Canada their home.

It is this heritage which will be the source of knowledge and inspiration for the successful development and evolution of Canadian society.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, at a critical time at the GATT negotiations, the government must recall that supply management has provided Canadian consumers with plentiful supplies of high quality food at affordable prices and helped preserve the family farm as a way of life.

[*Translation*]

Furthermore, supply management has proven itself to be a rational method of matching domestic production to domestic requirements. It is also a much more humane and efficient system than the free market, since resources are not wasted on overproduction and surpluses do not rot in warehouses.

[*English*]

The future of our $10.2 billion dairy, poultry and egg producing sector and its 98,000 jobs is at stake. In Atlantic Canada the elimination of supply management would seriously jeopardize an industry which is worth some $642 million and which provides nearly 6,300 jobs in the region.

[*Translation*]

Finally, I urge the government to spare no effort in its GATT negotiations to ensure the preservation of viable and effective supply management programs.

* * *

[*English*]

CANADIAN UNITY

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I stand today to commend the efforts of the architectural students of the University of Manitoba. These students created a large Valentine's card to be sent to all Canadians.

Along with the signatures of the university students, the card became highly visible at the Festival de Voyageur and in other parts of Winnipeg.

The efforts of Mr. Jim Laidlaw and his colleagues have brought out the silent majority of Canadians who love their country.

In the future I hope more of the silent majority step forward to show their love for Canada.

Mr. Speaker, keep your eyes open. The Kinsmen "Proud to be Canadian" tour is on its way to Ottawa.

* * *

DEBRIS CONTROL BOARD

Right Hon. John N. Turner (Vancouver Quadra): Mr. Speaker, in 1979 the Debris Control Board was formed due to widespread concern over debris in the Fraser and Harrison Rivers, the Gulf of Georgia and Howe Sound. This will be of particular interest to you, Mr. Speaker, as your constituency overlooks this particular waterway. Debris was choking the wildlife habitat in the Fraser delta and posed a hazard to fishermen and pleasure boaters. The board has received praise for its programs which remove over 80 per cent of waterway debris and have improved the habitat for juvenile salmon in the Fraser estuary.

For 12 years, the Government of British Columbia and the B.C. Council of Forest Industries have funded this important body, contingent on equal federal participation through the Departments of Forestry, Fisheries and Oceans and Transport. Fisheries and Oceans terminated its contribution in March 1991 and Forestry and Transport will follow suit this March.

The much touted green plan of the Government of Canada has earmarked $100 million for the clean-up of the Fraser River basin. As the Debris Control Board's work is directly tied to this goal, it is logical to continue funding the board from this source.

I urge the Government of Canada to reaffirm its support and reinstate funding, which is only $180,000, to permit this critical environmental control board to continue in the Fraser delta.

* * *

HERITAGE DAY

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, Heritage Day will be celebrated across the country today, February 17.

Canadians will participate in community activities including poster contests and heritage fairs. Schools will offer students special Heritage Day lessons in such varied subject areas as English, social studies and drama.

Community and classroom events are an excellent way to celebrate our rich and varied heritage. What better way to instil pride in our national heritage than to start each school day with the singing of our national anthem, *O Canada*, and I would like to add with feeling.

We have much for which we can be proud and grateful. Reminding ourselves of our good fortune on a daily basis could not hurt, and I think it will surely help. Let's celebrate our heritage.

* * *

HERITAGE DAY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, today is Heritage Day, a day when we celebrate our country's grass roots commitment to the elements that make up this great country.

Our culture, our environment, our architecture, our people are all part of Canada from coast to coast to coast. The third Monday in February is a day for all Canadians to reflect on what it means to be a Canadian.

It should also give all of us that necessary break during the long stretch from New Year's to Easter. Let us hope that we will have a country to celebrate on the next Heritage Day, February 15, 1993. Let's hope for Canada.

THE ECONOMY

Mr. Doug Fee (Red Deer): Mr. Speaker, through you, I have a short message for the Minister of Finance from my constituents. We know that he has a tough job and difficult decisions to make.

Everybody seems to have their own solution as to our economic problems. Unfortunately many of the solutions are in conflict with one another, and some are too simplistic to use.

There is a common message that they have, that there is a need to restore consumer confidence and control government spending.

We ask that he hold the line on taxes. There should be no new spending and every nickel from the GST should be applied to the deficit and debt. We do want to compliment him because interest rates are going in the right direction.

There are some people hurting and looking for a recovery, but we agree that the government should not buy us out of the recession. Everyone has what they think are the answers, but he is the one who has to make the decisions. We wish him good luck with the budget.

* * *

HERITAGE DAY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, today is Heritage Day and Canadians from coast to coast to coast celebrate Canada's diverse cultural peoples, environment, history and traditions, but unfortunately federal heritage policy has not yet had the attention it duly deserves.

In the fall of 1990 the government raised expectations by convening a conference of over 200 heritage experts to identify and discuss issues and options for actions for the development of a comprehensive heritage strategy.

After much discussion and thousands of dollars spent, a team of government officials were brought together to produce a discussion paper on heritage policy. However, nearly two years have passed, the team has been disbanded and while a paper has been written, this government's, lack of political will is gathering dust on government shelves.

As well, today it narrowly defeated a bill to declare this third Monday a national heritage day holiday. In the midst of uncertainty of our national futures, Canadians need more symbols of our common heritage and national identity.

I ask the government to get on with the job and release its discussion paper on national heritage, a step of respect toward our people and our country.

* * *

[*Translation*]

CANADIAN OLYMPIC ASSOCIATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, in his column on the Albertville Winter Games, journalist Réjean Tremblay writes in *La Presse* of February 13, 1992 that all the freeloaders from the Canadian Olympic Association travel at government expense and have made the association into a travel agency.

Mr. Tremblay, you say that you have already collected quite a file on the doings of the top people at the Canadian Olympic Association, so write another article on it and on behalf of Canadian taxpayers ask the Canadian Olympic Association to open its books on its detailed income and expenses, as I do as member of Parliament for Abitibi.

Mr. Tremblay, you were afraid to write what percentage the Canadian government contributes: It is less than 7 per cent of the total budget of the Canadian Olympic Association. Go ahead don't be afraid; tell the truth.

* * *

[*English*]

OLYMPIC GAMES

Mr. John Brewin (Victoria): Mr. Speaker, on behalf of our members, I would like to join with all members in the House and congratulate Kerrin Lee-Gartner on her tremendous performance on Saturday.

Some hon. members: Hear, hear.

Mr. Brewin: I note for the record that members on all sides are applauding that statement.

Kerrin showed skill, stamina and just great enthusiasm in her win. It was a great win for her, for her family and for Canadian athletes, especially women. It is noteworthy that all four Canadian gold medals in skiing over the years have been won by women: Nancy Greene, Ann Heggtveit, Kathy Kreiner and now Kerrin Lee-Gartner. It is a tremendous victory for her.

• (1410)

We should also congratulate Phillipe Laroche and Nicholas Fontaine for their show and say one final word to those who did not win medals. Kurt Browning, in particular, deserves the congratulations of this House for his showing over the years in all kinds of events. We were disappointed for him but not for ourselves in his performance.

We congratulate all young athletes who are performing so well for Canada in the Olympics.

* * *

FORESTRY

Mr. Stan Wilbee (Delta): Mr. Speaker, in the northwestern United States up to 14 per cent of all timber is being exported as round logs. This is mostly from private land owned by the large integrated forest companies. Large profits from the export of raw logs then allows these companies to bid up the price of timber at auction from the public lands. This forces the smaller, independent loggers and sawmills out of business.

The net effect is that the American consumer pays unnecessarily high prices. Many small American companies are forced out of business and Canadian companies are being asked to pay unfair tariffs.

Canadian sawmills and logging operations are also out of business or being shut down, and thousands of Canadian workers are out of work because of the ridiculous policies and strong lobbies in the U.S.

I would encourage the Canadian government to resist any attempts by the U.S. to impose countervail duties asked for by these greedy American companies due to mismanagement of their forest resources by the American government and industry.

S. O. 31

PRAIRIE ECONOMY

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, this last weekend 150 people came together in Winnipeg to prepare a blueprint for the economic and social integration of the prairies.

There was a call to overcome the fragmentation and duplication which in the past held back economic growth and development. Many constructive recommendations emerged, notably the restructuring of post-secondary education, the pooling of capital for regional development, and the co-ordination of environmental and agricultural policies.

Many of these proposals to reinvigorate the prairie economy require strong federal leadership. The Western Economic Diversification Fund should be restructured and targeted to specific priorities for the region in conjunction with research institutes and the private sector.

There needs to be new regulatory systems in transportation and telecommunications so that they can be co-ordinated to ensure better service, lower cost joint research projects, and to meet regional priorities.

Immigration and manpower training programs should be tailored to meet the needs of the region. There was a call for the federal government to champion more actively the work for Canadian prairie entrepreneurs abroad.

I would like to urge the federal government to pursue the constructive proposals of the Prairie Integration Conference and show its commitment as the participants did to building a strong, united and prosperous prairie region as part of a renewed Canada.

* * *

TOBACCO

Mr. Jim Karpoff (Surrey North): Mr. Speaker, who speaks for health in the Liberal Party?

When the government announced an export tax on cigarettes health conscious Canadians applauded. So did the Liberal health critic who said in this House: "For the sake of health, hurrah for yesterday's proposed new one dollar per pack export tax on cigarettes".

But the Liberal revenue critic, the member for Toronto—Eglinton—Lawrence, said in Sunday's *Ottawa Sun* that the campaign against smoking in Canada amounts to "outrageous taxes" and government plunder.

Does the hon. member have any concern for the 38,000 Canadians who die each year from tobacco related causes?

This Liberal position is exactly what the tobacco lobby wants: abandon cigarette taxation, abandon enforcement and thereby abandon Canada's highly successful anti-smoking strategy.

Does the Liberal Party speak for health or does it speak for the tobacco lobby? Canadians deserve a clear answer to this question.

* * *

GASOLINE ADDITIVES

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, the U.S. Environmental Protection Agency has again rejected the use of methylcyclopentadienyl manganese tricarbonyl in its gasolines. The U.S. application was for only half the level currently being used in Canada.

The Canadian government must act now to protect Canadian's health and our environment and ban MMT.

The EPA notes in its decision that five car manufacturers, as well as three manufacturing associations, all recommended denial of Ethyl Corporation's request and expressed major concern with regard to the addition of MMT to unleaded gasolines. They were concerned that MMT would increase the hydrocarbon emissions and plug catalytic converters in automobiles.

There is an environmentally friendly alternative to MMT. Ethanol blended fuels would reduce carbon monoxide by 25 per cent, carbon dioxide by 5.9 per cent, nitrous oxide by 5.7 per cent and ground level ozone by 5.3 per cent.

I call on the government to ban MMT, to remove the excise tax from the ethanol portion of that fuel, providing a much needed spark to move this industry off the shelf and into reality.

KERRIN LEE-GARTNER

Mr. Al Johnson (Calgary North): Mr. Speaker, Canadians and westerners in particular, are extraordinarily proud of Kerrin Lee-Gartner. Kerrin, who lives in Calgary, captured Olympic gold on Saturday in the women's downhill with a magnificent run down the world's most difficult course.

We celebrate with Kerrin her victory, her encouragement to the whole Canadian Olympic team and the honour that she and all her teammates have brought to Canada.

As this is family day in Alberta, I would like to make particular mention of the significant role played by Kerrin's family. The love, commitment and support expressed to Kerrin by her family were essential in making her a winner. The deep expression of love and mutual support between Kerrin and her husband, Max, as we saw on the CBC interview on Saturday night, is an example to all Canadians of family values. Good families are winners.

Kerrin and Max, thank you for your hard work, your example and your victory for Canada.

ORAL QUESTION PERIOD

[*Translation*]

TRADE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a number of questions for the Prime Minister regarding the ability of his government to speak for all Canadians.

Last week, U.S. Customs decided to put a tariff on Honda cars built in Canada. Everyone knows this decision by the Americans is aimed at attracting foreign investors away from Canada to the United States.

My question to the Prime Minister is this: What steps does his government intend to take in response to this unfair decision? We know that a reference to the special binational panel will take months or even years. What does the government intend to do now to counter a decision that is so patently unfair to Canada?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I met with Carla Hills on this a week ago today. The ambassador has met on a number of occasions with various members of the U.S. administration.

As I said in the House last week, we take this matter very seriously. We believe that there are some changes that must be made in the way the rules of origin are administered. We have made these views known to the Americans and, as I said in the House last week, we are prepared to take this to the dispute settlement mechanism, but our intent is to try to resolve this matter as quickly and as effectively as possible, for some of the very reasons to which my hon. friend refers.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Prime Minister.

When the Prime Minister was in Ontario last week he told workers who had lost their jobs because of the free trade deal that they were "crackpots".

Some hon. members: Shame, shame.

Mr. Chrétien: Mr. Speaker, unemployed Canadians are not crackpots. They are honest people who want jobs, who want to earn their living honestly in Canada. They do not deserve to be insulted by their Prime Minister.

William Merton, one of the U.S. free trade negotiators, was bragging last week that "the U.S. is doing quite nicely under the free trade agreement. That is a comment on how well we did". The United States is doing quite well under the free trade agreement but Canada is not doing well at all.

I would like to know from the Prime Minister: When will he learn that friendship is friendship and business is business and when will he stand up for the workers of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, under the free trade agreement our exports to the United States are now up by approximately $8 billion over the high prior to the coming into effect of the free trade agreement. August was a record month. As we come out of the recession, as the recovery continues to build, we hope the numbers will be even more impressive.

• (1420)

My hon. friend ought not to be surprised at the kind of criticisms he is indulging in because after the auto pact was signed by a previous Liberal government in 1965, criticisms of this kind were made. People were calling for the abrogation of the auto pact in 1966 and 1967. The auto pact went on to provide great benefits for Ontario and Canada, as will the free trade agreement.

My hon. friend says that I referred to unemployed workers in Ontario as crackpots. That statement is of course completely false. I made no such statement.

When I saw PSAC organizers and NDP organizers with abusive and offensive signs, I referred to them, but I very carefully segregated the workers whom I met with throughout my trip in very productive meetings; farmers, ordinary workers, regional media. We worked very closely with them trying to bring about solutions. I must say their response was very encouraging.

For that very tiny minority of people who want to abuse public leaders, thereby thinking they are going to make a point, when all they are interested in is a shot on the nightly news, I say to them, work constructively, set aside the tactics of malice, join the co-operative effort in Canada and we will all be better off.

* * *

FISHERIES

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I am happy to hear the Prime Minister referring to the auto pact because in that deal we made the necessary provision to have safeguards to maintain a level of jobs for Canadians, something that the government is afraid to do in the free trade agreement.

It is not only on trade with the United States that this country is having problems and the government is not standing by the Canadian workers. Overfishing by foreign countries has demolished completely the cod stocks of Atlantic Canada. There is a report that the minister of fisheries will announce today that the total allowable catch for next season will be diminished again and hundreds and thousands of fishermen and plant workers will lose their jobs.

What will the government do to defend the interests of the fishing industry in Atlantic Canada to make sure there is dignity for the fishermen and the fish plant workers in Atlantic Canada?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the government has already done far more than has been done by any previous government. I note for the record that in an agreement entered into in 1981 with the European community, the hon. Leader of the Opposition gave away 77,500 metric tons of codfish and in 1972 his government gave away 300 metric tons of codfish to France.

When it comes to protecting Canadian fishermen they know where to look and it is not in the direction of the hon. gentleman or the government that he will never form.

With reference to what we are doing with respect to these questions, we have had a vigorous campaign under way with the European community and with non-NAFO countries that are fishing outside the Canadian 200-mile limit on the nose and tail of the banks, where unfortunately we have no authority at this time.

We look to other members of the House to help us to impress upon the European community that it is despoiling a common resource of humanity by its callous continuance of overfishing on the nose and tail of the banks and that it should cease immediately if it is at all interested in the future of fishermen in Canada or elsewhere in the world.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, this is a black Monday in the history of the Atlantic fishery, a black Monday in a black year.

During this year this government has given to foreign nations in fishing zone 2G and 2H, 11,000 tonnes of cod while Canada got 9,000 tonnes. Now we learn that imports of processed Atlantic codfish from those very same nations have doubled to $37 million a year. Does the minister not agree that it is sheer insanity to give foreign nations cod quotas inside our 200-mile zone, then buy the codfish back from them while our own Canadian fish plant workers and fishermen are suffering the consequences of drastic quota cuts?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I agree with the hon. gentleman that it is sheer insanity for Canada to give any cod inside its 200-mile economic zone to foreign countries.

I wonder then why Canada in 1972 committed such insanity by signing a treaty with the French under which they took 300,000 tonnes of cod in the gulf. That is only the start. They are taking 4,000 tonnes more this year because of that treaty which has no termination date. I tell the hon. gentlemen it was sheer insanity in 1981 when the treaty was signed with the European community. The hon. gentleman was a member of the government that gave away 75,000 more tonnes of fish in 2G-H, the very 2G-H that he now brings up, Mr. Speaker, in 1981 together with 2J-3KL. For shame, yes, it was sheer insanity.

Mr. George S. Baker (Gander-Grand Falls): I gather the minister is saying now that he is going to cancel those foreign licences after the fish is gone—our minister, "the hon. Johnny-come-too-lately".

We import fish from several nations, including South Korea, that illegally fish outside the 200-mile zone. How does an Atlantic cod get to Korea? They do not drive there in Hyundais.

Will this government ban the importation of processed Atlantic codfish from those nations that are illegally fishing outside the 200-mile zone? How can we convince them that it is illegal if we are paying top dollar for the contraband?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): It is always a pleasure to see an old actor return to the stage, Mr. Speaker. I may be a Johnny-come-lately, but the *Lewisport Pilot* of February 5 said this: "The people of George Baker's district have been wondering lately where their elected member of Parliament has been keeping himself". Could it be that it is Georgie-gone-lately or come-lately?

With reference to the question, in the year 1992, one boat from South Korea has been seen on the nose or the tail of the Banks. It could not have been seen on both, not at least at the same moment. In 1991, four South Korean vessels were seen to be on the nose or tail of the Grand Banks outside 200 miles. So if we are going to depend upon South Korean for our cod, we will be pretty codless.

With respect to 2-GH, in five years in 2-GH, the foreign catch of cod, not the total allowable catch, what they actually caught, was: 1991, zero metric tons; 1990, one metric ton; 1989, no metric tons; 1988, one metric ton; 1987, 162 metric tons; average over five years, 33 metric tons. The hon. gentleman should refurbish his encyclopaedic knowledge of fishing on the banks.

* * *

FREE TRADE AGREEMENT

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, the Leader of the Official Opposition in this House visited the President of the United States to discuss a number of subjects, including the free trade agreement.

I would like to ask the Prime Minister if the Leader of the Opposition was accompanied by a Canadian ambassador and if the Prime Minister can tell us exactly what position the Liberal leader took *vis-à-vis* the free trade agreement.

Mr. Speaker: Part of that question may be in order, but there seems to be some objection to the latter part of it.

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is a very, very tough question. We have been working on this all weekend. By Thursday or Friday I will have a complete answer for the hon. member.

An hon. member: If you are lucky.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my second question is also for the Prime Minister.

At a time in Canada when there are very serious problems such as those people are having with their own livelihood, paying their mortgages, looking for jobs and desperately seeking answers to important political questions, does it serve any useful purpose to call demonstrators crackpots and to use political labels against those people?

Mr. Speaker: Probably the question is out of order. The hon. minister may want to deal with it, but I think it is out of order.

Mr. Barrett: Mr. Speaker, on that point of order, the Prime Minister in his own answer earlier referred to those people as a narrow group. He said the NDP—

Mr. Speaker: I think it is out of order. The hon. member may want to put another question.

Mr. Barrett: Mr. Speaker, my final question is for the Prime Minister.

Last week again we saw another industry in this country hit negatively by the free trade agreement and that, of course, was the magnesium producers in Quebec.

How many assaults on Canadian jobs, how many attacks on Canadian industries and how many losses of jobs and investment in this country does it take to get the Prime Minister to understand what Simon Reisman is finally beginning to say, that we are not being treated fairly by the free trade agreement? When is the government prepared to give notice to cancel that agreement because of the way the Americans are treating it?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, on that particular issue, on the magnesium countervail or anti-duping—anti-dumping—

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): Pass the marbles please, Mr. Speaker.

Let me start again. On those particular issues, we have indicated to the company that we fully support the position of the Canadian company and we fully support the position in challenging and fighting the particular action with the United States.

Let me just go to the heart of the question that my hon. friend is posing. He is suggesting that the Americans should not have the right to initiate anti-dumping actions.

I believe in the last year Canada initiated 16 of the 22 anti-dumping actions. If we went the route that my hon. friend is referring to, we would lose the opportunity to protect Canadian industry against actions taken by American industry that undermine the position of Canadian companies. That is why we still have the right, within the free trade agreement, to challenge actions taken by American companies.

* * *

FISHERIES

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The destruction of the northern cod stock referred to by my friend from Gander—Grand Falls is not only cruel in its effect on the people of Atlantic Canada, but it is criminal. It is criminal because it could have been avoided. It was man, not nature, who was the author of this disaster and it occurred despite repeated warnings to this minister and to this government that the fish were being overfished in the northern cod zones.

I ask the minister of fisheries: What alternative are this minister and this government prepared to offer to the thousands of Atlantic Canadians, and in particular those in Newfoundland and Labrador whose livelihoods have been wiped out because of the mismanagement of the fish stock by this minister and by this government?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, as everyone in the House knows, there have been difficulties in the Atlantic fishery for several years. I do not agree, by the way, that these difficulties are all man-made. Certainly in part they may be due to errors by persons but, for example, last year it was due in large part to environmental conditions, ice, unusually cold water. We do not know exactly what all the reasons are.

It is also due, of course, to callous overfishing by Spain, Portugal and countries of the European community. Spain and Portugal have vessels registered in Panama under flags of convenience, et cetera, overfishing outside the nose and tail of the Grand Banks. The fishing inside is controlled absolutely and carefully by us.

We have attempted to do what we can to assist, and we are going to continue. We have had the Atlantic Fisheries Adjustment Program which still goes forward with additional tens of millions being spent on scientific research.

We have the community programs to help the communities where fish plants have closed. We have Community Futures, ice compensation, Atlantic catch failure—

Ms. Copps: You better wave that yellow flag.

Mr. Crosbie: You do not want to hear what is being done to help people when they are in trouble. You only want to make an opera out of Question Period in the House of Commons.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, there are 10 provincial governments in Canada, two territorial governments and a national government. There are ministers of fisheries in most of the provinces, but only one government, the national government, and only one minister, this minister, has constitutional authority for the management of the cod stocks; only one government, this one. This government is responsible for the failure.

It is reasonable to ask on behalf of thousands of displaced Atlantic Canadians whose livelihood and whose traditional way of life have been squandered what compensation, if any, is available for those people and their families.

Some hon. members: Hear, hear.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, this government will continue to bring forward programs and assistance to the people affected by closures.

Of course, the closure announced by Fisheries Products at the plant at Catalina was tragic enough in itself. Hopefully, it will only be temporary and the whole unemployment insurance program will apply.

This government has nothing to be ashamed of in its assistance to Newfoundlanders. Last year there was $6,142 worth of per capita annual federal expenditures in Newfoundland under various programs including programs to assist the fishery: $3.15 in expenditures for every $1 in revenue. Most of this has gone to help people get employment and/or keep employment through the Atlantic Canada Opportunities Agency, the Fisheries Adjustment Program and all of the other programs we have introduced to help people in need.

We are going to continue, despite the raucous sounds that anyone might make or the feeble attempts to blame someone.

* * *

THE ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance.

Today, *The Globe and Mail* reported that its latest survey of major companies said that profits in this country collapsed by 87 per cent in the last three months of 1991 compared to the same period last year, a time when the minister was saying that his government's policies were bringing about a recovery.

Will the minister commit now to a new, effective, economic recovery program to restore corporate earnings and, above all, to restore wages and jobs for Canadian workers?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would like to advise the hon. member that *The Globe and Mail* survey is not indicative of the over-all corporate profits performance.

Statistics Canada reported a 52.3 per cent increase over the period of the second and third quarters. This would certainly draw into question the assessment made by *The Globe and Mail*. I think the hon. member should rely upon the figures of Statistics Canada rather than presumptions taken by *The Globe and Mail* article.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of Finance and the Prime Minister delight in quoting *The Globe and Mail* when they think it suits their purpose.

They cannot ignore it today because this survey also says that "Canadian corporate pre-tax profits as a proportion of Gross Domestic Product fell to a level not seen since 1932".

• (1440)

Why will the Minister of Finance not commit now to a new meaningful economic recovery program in his next budget to prevent the current economic weakness, recession, from dragging on for another seven years, as happened during the depths of the Great Depression until the beginning of the Second World War? Why will he not commit to more jobs for Canadians today?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the fact of the matter is that this government is committing to more jobs and we are addressing specific sectors of the economy that are in trouble. I recognize that there have been serious difficulties in the manufacturing sector. Part of that is due to the recession. Part of it is due to the restructuring that has to take place.

I think the hon. member should be encouraged by the fact that the Conference Board of Canada in its recent survey indicated that businesses are much more optimistic about 1992 than they were in 1991 and that their investment plans are very positive. I think, in spite of the fact that the hon. member tries to paint the gloomiest picture, there are some positive signs on the horizon.

* * *

FISHERIES

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, there are thousands of people in hundreds of fishing communities on the east coast who do not have a future because of problems in the fishery. Today is not the time for Liberals and Conservatives to blame each other for the problems of the past. The people of the east coast want solutions and assurances from the Government of Canada that their concerns and future will be taken care of.

Given the dependence of these communities on the fisheries resource, can the minister offer a future for these communities? What future do they have?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I believe that these communities have a future and any difficulties in connection with fish stocks are difficulties that will be overcome over a period of time. During the time that these difficulties are being overcome, of course government has to support the people who are having difficulties during that period.

This is not the only area of the world that has had trouble with fish stocks. There is trouble with fish stocks everywhere where mankind is allowed to exercise its rapacious methods and desires upon a common property stock. This has happened in the Barents Sea. This happened in a number of areas around the world and is happening here in part because outside our 200-mile limit are countries, supposedly civilized, that will not pay any attention to just sensible rules to deal with conservation and sustainable development. I mean in particular Spain, Portugal and others that have been named before.

What can be done? Already the town of Gaultois has been assisted to get back into the fishery business. Already, as a result—I do not want to claim all the credit, but certainly some of it is my efforts—the town of Grand Bank has a fish plant that is starting up in a different aspect of the fishery and we are going to continue with those efforts.

We had a failure with the shrimp plant in St. John's recently, but we are not discouraged. We are going to keep going, going, going. That is our nature and we are going to keep at it.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, given the non-answer from the minister, maybe we do have to attribute some blame to this government.

The minister has called an emergency meeting of Atlantic fisheries ministers to deal with the massive lay-offs in Newfoundland. An internal government document dated June 1990 revealed that the government has known for some time that there were going to be long-term problems in the fishery resource and that several thousand workers were going to face permanent lay-off.

Given the problems with fishery communities dependent on that resource, what specific steps can the minister take to ensure that those communities do have a future and that he can take some specific action to stop the foreign overfishing of our fishery stock?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I welcome the hon. gentleman's interest in this issue. I am glad that he is representing his party's Atlantic caucus.

With respect to the question that he asked, I can enumerate the programs that we have in place to help. We have a community assistance fund to help towns where their fish plant has closed. We have a Community Futures program covering many of these same areas. We have the industrial adjustment service. We have an Atlantic fisheries adjustment program to help, if they want to diversify within the fishery or to diversify outside the fishery. We have helped hundreds of projects to start up as a result of those programs. We are going to continue. The meeting this afternoon is to discuss with the trade, the union and those involved, the stockholders in the Canadian east coast fishery, what should be done

as a result of new information and advice in connection with fish stocks. After that we will decide.

* * *

EMPLOYMENT

Ms. Mary Clancy (Halifax): Mr. Speaker, on Thursday Sears announced the closing of its catalogue warehouse in Halifax, throwing 800 people, mostly women, out of work. The reasons: the recession, the GST and cross-border shopping.

When will the Minister of Finance recognize that his policies have devastated Atlantic Canada, particularly in the retail sector, and when will he institute new economic measures that will help?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, my understanding is that this is a restructuring of the organization and that the jobs are being transferred to Belleville. This is not something unusual. I note that the Sears Corporation, since the fall of 1990, has laid off some 40,500 people in its effort to restructure and rearrange its activities.

Ms. Copps: You are bragging about that?

Mr. Mazankowski: Mr. Speaker, no, I am not bragging about that. I am simply stating a matter of fact.

An hon. member: She has a great big smile on her face.

Mr. Mazankowski: That has occurred in the United States of America. We are confronted with the same kinds of adjustments and restructuring. While it is very unfortunate, I think the action taken by the Minister of National Revenue in terms of dealing with the cross-border shopping issue will, in fact, alleviate some of that problem. If the hon. member has any other positive suggestions I would certainly be glad to entertain them.

Ms. Mary Clancy (Halifax): Mr. Speaker, the minister says it is not unusual but it is unfortunate. Well, it is very unfortunate for the 800 people, mostly women, who cannot take the opportunity to move to Belleville.

This government deliberately created the GST. This government deliberately exacerbated matters, particularly with regard to the Sears closing and cross-border shopping.

What will the Minister of Finance do, deliberately I hope, to help the 800 Sears workers in Halifax who are faced with a choice of moving or starving?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I certainly do not want to minimize the difficulty that has been inflicted upon the people who are being asked to move. I simply want to remind the hon. member that she blames all the difficulties on the free trade and the GST.

We all know that General Motors of America has announced lay-offs of some 75,000 people; Mercedes-Benz Corporation is announcing lay-offs of some 20,000 people; IBM has announced lay-offs of some 20,000 people. I am trying to point out to the hon. member that this is part of the restructuring and the globalization that is going on. It is not due to the GST and it is not due to the free trade agreement.

The Minister of National Revenue announced measures that will take effect immediately that will be helpful. We will continue to deal with the specific sectors that need help and the government will be announcing programs and policies in due course.

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister.

Following the efforts in Ontario last week to present the Prime Minister as a kinder, gentler person in his capacity as head of government, he quickly dismissed thousands of Canadians who came out to meet him in Peterborough, who are devastated by this economic recession, as crackpots.

Why does the Prime Minister call John Taylor, a 69-year old pensioner who is concerned about his future and 32-year old Rob Curry, an unemployed plastic employee who must rely on welfare for the very first time, crackpots, when these two Canadians came out to meet the Prime Minister in search of economic hope and economic solutions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had occasion to meet with unemployed workers, farmers, people of various kinds. I met with Mrs. Milgaard on the streets of Winnipeg. She presented a problem to me. I do this on a regular basis. Any time I have the occasion of a civil dialogue with people who have difficulties, I come back and try to respond to it immediately. The ministry can tell you that this is done on a very regular basis.

• (1450)

I have already said that the statement made by the Leader of the Opposition was false. The statement is also false, now that it is made by my hon. friend. I referred to the people, and I said it very specifically, who were organizing a demonstration. They did not want dialogue. They did not want assistance from me or from the Leader of the Opposition. What they wanted was to provoke a political spectacle, using abusive language that could only achieve the ultimate objective of getting their faces on television that night.

I tell my hon. friend that the member of Parliament and the mayor had indicated their availability to meet with some of the people. That was turned down. I indicated my intention to meet with some of the people. That was declined. We had indicated our availability. I had constant meetings ranging from families with cystic fibrosis all the way to the leaders of the Dairy Product Council of Ontario, just immediately preceding that.

We were available, but clearly they were not. The Government of Canada and I are ready at any time, on a regular basis, to meet with people who have problems, who want to sit down and look for a solution.

I think my hon. friend would agree it is pretty difficult to meet with somebody who is not seeking a solution. A small group of people organized this thing specifically for political purposes, using tactics and methods that should have gone out many years ago, that are counterproductive and unhelpful to the people they purport to serve.

Mr. Sergio Marchi (York West): Mr. Speaker, the simple truth is there were 1,000 Canadians in Peterborough and whether the Prime Minister likes it or not, he referred not only once, but twice, to Canadians as crackpots and he should apologize to whomever he was directing that adjective.

I return to the Prime Minister. When will the Prime Minister and the government recognize and respond to the deep economic anxieties among Canadians that simply push that pensioner and that 32 year old unemployed persons to ask of their national government for a better deal for themselves and a better deal for Canada? What is so wrong with that response, Mr. Leader, and what will you and your government be doing to reduce those economic hardships?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in regard to the very legitimate question that my hon. friend now asks, if he thinks that anybody in this country is subject to unlimited abuse and personal invective and is expected immediately after to sit down with these people in a constructive dialogue when they have clearly indicated they do not want to, then my hon. friend is obviously off base in regard to that.

With regard to the more important matter he raises.*The Financial Post* indicated on the weekend that its survey indicates there is widespread evidence of a stronger economy by mid–year. By year end, most of the current nightmares should be fading. The jobless rate will likely be below 10 per cent and corporate profits will show significant gains. Already there has been improvement. Earnings of non–resource companies in the post–fourth quarter early bird profit round–ups rose by an average of 19 per cent.

The *Post* is forecasting recovery is now in sight and two and one–half per cent growth this year. The IMF, the OECD are forecasting growth in the neighbourhood of 3.1 per cent. They indicate that we are going to lead the G–7 countries. My hon. friend should take some encouragement and some pleasure at these good signs that are starting to be forecast in respect of a strong economy.

* * *

INTERNATIONAL JOINT COMMISSION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Secretary of State for External Affairs. Great Lakes pollution problems are getting worse, yet the International Joint Commission has just closed its expert library in Windsor as part of cutting back its regional office. Windsor IJC staff this morning bluntly said that they had been told money was not a factor in this shutdown.

I want to ask the minister why this key source of information for IJC staff and for environmental groups has been shut. Is this just the first step to shutting the whole regional office itself?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the work of the International Joint Commission has made a real contribution to the cleaning up of the Great Lakes.

There are, of course, other means by which we are approaching this issue. It is a very important one for Canada, as it is for the United States. We have been working closely with the governors of some of that region too.

I do not think the location or the size of the office is what makes the International Joint Commission effective, and we intend to continue its effectiveness as we go through further discussions with the U.S. on Great Lakes pollution.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I hope that the Secretary of State for External Affairs will note that the character of her answer quite confuses the impression earlier given that the IJC regional office in Windsor would be maintained. I would ask her to review the matter because in order to work effectively they need a regional office.

I want to ask a specific question about the library. The president of the University of Windsor has offered to accommodate the library at the university. I would ask the secretary of state if she would use her good offices to arrange that the library at the IJC office in Windsor be transferred to the University of Windsor so that it can be maintained in the district and remain an effective resource for environmental groups in that area to ensure that the IJC and this government do their job with respect to the environment.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I do not think there is anything confusing about it, although the hon. member may find it so.

The source of information in the library is clearly an important part of what the IJC does. My own view would be that it is important that that material stay with the people who are working directly on environmental issues in this connection, and that would be with the IJC.

JUSTICE

Mr. Stan Wilbee (Delta): Mr. Speaker, in the absence of the Minister of Justice my question is for the Solicitor General.

This morning in *The Ottawa Citizen* there was an article that said: "Many men who kill their wives are getting away with murder". That particular report stated that between 1982 and 1986, 44 men were charged with killing their wives. In those 44 cases none of the husbands were found guilty of first degree murder and most were convicted of lesser charges such as manslaughter, in spite of many of them being very brutal and mutilating murders.

My question for the minister is this. Does this study accurately depict the situation for all of Canada and is the Canadian legal system letting these murderers off too easily? If so, what does the government intend to do about it?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, my friend raises an issue which is of interest to all members of the House. I am not in a position to confirm or deny the results of the study, nor am I in a position to speculate as to whether or not this particular situation exists throughout Canada.

I would say to my hon. friend that the concerns of all of us were one of the reasons that the government commissioned the national panel on violence against women. One aspect of that panel's work will be to develop proposals for action which will improve the response of the justice system to the problems of male violence against women, including wife assault.

* * *

IMMIGRATION

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, given the urgency of the subject matter I have given notice of my question to the Deputy Prime Minister. It concerns the International Convention on the Rights of the Child and Canada's obligations under that convention to respect a child's right to both its nationality and its family. Yet within days a Canadian born seven-month old child will have to leave her country.

Presence in the Gallery

Will the Deputy Prime Minister immediately announce that we will respect the convention rights of Agatha Zujewski and will he announce that she and her parents will be allowed to stay in Canada?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, the minister is away from the House today but the member will know that we have put into place a very fair and generous refugee determination process.

• (1500)

There is a backlog that is now being processed. We have some very generous rules. It is not a fast-track immigration process and all I can tell her is that each individual case is reviewed on humanitarian and compassionate grounds. If it has been refused, it has been in that spirit. Certainly this family will have every opportunity to apply as immigrants, which many people would like to do in growing numbers.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, because of its urgent nature, I too gave notice of my question to the Deputy Prime Minister's office. I think it is incredible that the government should acknowledge that Mr. and Mrs. Mirzad's five children, ranging from 19 months to 14 years old, have a bona fide claim to refugee status, and then turn around and deny that status to their parents, which creates an intolerable situation. Are we going to make orphans of these children?

I raised this matter in July 1991, and the minister did not even answer my question. What does the minister intend to do to remedy this serious injustice? When will he make the necessary changes to prevent similar occurrences?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am told that the minister gave an initial reply last Friday. I was not in the House, so I will check on this. I am not for familiar with the particular context of these two cases. I will ask the minister for further information as soon as possible, and we will report back to the two members concerned. Normally there is a procedure that is quite equitable, with right of appeal, which provides that claimants are treated fairly, in accordance with the usual criteria. However, there may be exceptions. We will look into this very carefully, and I will report back to you.

* * *

[*English*]

IMMIGRATION AND REFUGEE BOARD

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, as a result of a terrible incident last week, two quasi-judges of the refugee board were suspended with pay.

For the benefit of the House, I wonder whether the Deputy Prime Minister could provide us with information as to how these people are picked. Do they have a mandatory training period? Is there a trial period? Do they have training in multicultural issues? Do they know what the fundamentals are of natural justice? Do they understand what due process or doctrine of fairness means?

Could the Deputy Prime Minister explain what process is used to hire these judges?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, the minister spoke to the chairman of the Immigration and Refugee Board at the end of last week.

Mr. Fairweather acted very quickly. He is investigating the entire allegation. I can just tell you that Mr. Fairweather's reputation, which is world-wide, is one that certainly precedes him in the area of human rights. He has a complete and implicit knowledge of the diversity of this nation, how we have been enriched and how we celebrate that diversity.

Certainly I am very comfortable and confident that the independence and impartiality of that board is giving everyone the fairest and most generous hearing possible.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the attention of hon. members the presence in the gallery of His Excellency Askar Akayev, President of Kyrgyzstan.

Some hon. members: Hear, hear.

Mr. Speaker: I wish also to draw to the attention of hon. members the presence in the gallery of Drs. Roberta Bondar and Ken Money, members of the Canadian astronaut team.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN MULTICULTURAL ADVISORY COMMITTEE

FIRST ANNUAL REPORT

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, I am very pleased to table today, in both official languages, the first annual report of the Canadian Multicultural Advisory Committee.

[*Translation*]

This report is for the 1990–91 fiscal year.

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

* * *

[*English*]

POINTS OF ORDER

MINISTERIAL STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, in view of the comments made earlier this day by the hon. Minister of Fisheries and Oceans, I wonder if we can anticipate from the minister, either this day or later this week, some form of ministerial statement with regard to the situation of the Atlantic fishery in view of the importance that all members have attached to this matter.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I just want to make the obvious point that Question Period is over.

THE BUDGET

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, just before the government House leader leaves, last week he indicated that as soon as the date was known he would announce to the House of Commons when budget day would be. We are getting very close to the day we have been anticipating. Does he have any news for us today?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as the House leader of the New Democratic Party just said, we are getting very close to it.

* * *

CANADA HEALTH ACT

MEASURE TO AMEND

Ms. Joy Langan (Mission—Coquitlam) moved for leave to introduce Bill C-333, an act to amend the Canada Health Act.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Ms. Langan: Mr. Speaker, it gives me great pleasure to introduce this bill which amends several sections of the Canada Health Act and has, as its purpose, the safeguarding of the health and safety of emergency response personnel.

The bill adds to the list of hospital services contained in the act such as the requirement for hospitals to disclose to workers who have provided emergency care the name and nature of contagious disease that may have been passed on to them in the course of their duties. Workers involved in emergency response, including police, fire-fighters and paramedics as well as volunteers, routinely provide emergency medical treatment in unsanitary conditions on patients they know nothing about.

The result is that these workers and their families can be exposed to contagious or infectious diseases. These workers need to know what they may have been exposed to if they are to continue their jobs in the future.

It is not about involuntary testing. It simply requires that hospitals share information they have so that those who may have been exposed to a possible health threat are protected.

The Acting Speaker (Mr. DeBlois): Ms. Langan moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

• (1510)

DANGEROUS GOODS IDENTIFICATION ACT

MEASURE TO ENACT

Ms. Joy Langan (Mission—Coquitlam) moved for leave to introduce Bill C-334, an act respecting the identification of dangerous goods and to amend the Transportation of Dangerous Goods Act.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Ms. Langan: The purpose of this bill is to enable certain persons such as fire-fighters to obtain, instantaneously, accurate information at the scene of an incident involving dangerous materials that will allow them to deal appropriately with those materials.

The bill calls on the Minister of Transport to establish a computerized registry of dangerous goods, saying where they are manufactured and stored and describing the nature of the substance. This type of right to know legislation will greatly enhance the ability of emergency response teams to quickly assess the nature of any accident involving hazardous materials. Accurate and accessible information is crucial for saving lives and properties as well as for taking the appropriate measures in dealing with a hazardous substance. The development of such a system would enable emergency response personnel to learn the exact nature of hazardous materials present at any location and provide guidance on responding to the specific incident, particularly guidance for the safety of those responding.

The Acting Speaker (Mr. DeBlois): Ms. Langan moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

PETITIONS

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour and a privilege once again to present a petition on behalf of a number of petitioners from central British Columbia who are concerned about the possibility of a major river diversion, namely the North Thompson River. They are asking that steps be taken to ensure our fresh waters would not be dammed in Canada in an effort to divert all or part of them into the United States of America.

JUSTICE

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I have a couple of petitions containing several hundred names from my riding protesting a legal system which would allow an obviously sick and dangerous person to be at large who caused the death of Nina de Villiers last August in an area not too far from my riding where her body was found.

DON RIVER

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I also have the honour and privilege of presenting some petitions to the House pursuant to Standing Order 36. These petitions are signed by members of my riding of Broadview—Greenwood and they are humbly calling upon the government to begin its action plan for reclaiming the most polluted river in Canada, the Don River. They repeat their request on a daily basis.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 50 and 229.

[*Text*]

Question No. 50—**Mr. Skelly (North Island—Powell River):**

> With respect to registered and special delivery mail (*a*) what is the present service (*b*) although the public pays a premium price for these services, is this mail handled any differently than other mail, such as unsolicited third-class mail?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): (a) Registred mail and special delivery mail are both premium products/services provided by Canada Post. Modification to the processing and products have improved service to the customer while at the same time reducing costs to the corporation.

In the case of registered mail changes to the processing streams have resulted in faster delivery while holding product prices constant for two years. These new enhancements also enable customers to access an automatic inquiry system giving them delivery information on their mail piece.

Special delivery provides its customers with delivery standards which are faster than regular letter mail (1 day local; 2–3 days to major centres). Also, these standards are guaranteed with either a special letter/special occasion replacement or postage refunded. This product is handled and processed separately from letter mail.

(b) Special delivery and registered mail are delivered with regular letter carrier delivery.

In the case of registered the bar coded item is computer scanned at delivery time and recorded on the articles delivered bill. Also, a recipient signature is obtained upon delivery by the letter carrier. If a signature is not obtained, the mail piece is returned to the nearest postal outlet to await addressee pick-up.

Special delivery receives its priority handling prior to the letter carrier delivery.

Question No. 229—**Mr. Thorkelson:**

For the period December 4, 1991 to February 4, 1992, what has been the (*a*) total cost (*b*) cost per question (*c*) cost for this question, to the government for answering Order Paper Questions?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons):

(a) and (b) Questions answered during the period of December 4, 1991 to February 4, 1991:

Question No.	Approximate Cost	Question No.	Approximate Cost
52	$125	165	$215
87	4,280	167	108
95	215	168	216
99	179	169	52
107	275	170	66
119	250	171	128
121	315	172	74
122	100	174	42
125	168	178	99
127	108	179	101
134	85	180	270
137	300	181	133
138	7,936	183	148
142	93	184	79
144	300	185	69
145	382	186	106
154	80	188	25
155	335	189	145
156	238	190	238
159	72	191	125
160	110	197	45
162	140	200	195
163	60	201	184

TOTAL COST: $19,009

(c) $30.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Questions Nos. 123 and 133 could be made Orders for Return, these returns would be tabled immediately.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House that Questions Nos. 123 and 133 be deemed to have been made Orders for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 123—**Mrs. Stewart:**

Since its opening, have any departments used the facilities at the Dome Stadium hotel, in Toronto, for training and operational functions, and, if so, (*a*) which departments (*b*) what was the (i) cost (ii) function (iii) total expenditure for each department (*c*) how many of the participants worked and/or resided in the Toronto area (*d*) which of the departments using the hotel did not have training rooms available to them through federal facilities?

Return tabled.

Question No. 133—**Mr. MacAulay:**

With respect to the Small Craft Harbours program and related programs of the Department of Fisheries and Oceans, for each federal constituency, how much money has been spent during the last 5 fiscal years, including the present year, and, in each case, (*a*) which projects received funding (*b*) how much funding (*c*) what are the names and addresses of each contractor or department that performed the work?

Return tabled.

[*English*]

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I direct a question or a representation to the parliamentary secretary to the government House leader.

I posed a question earlier this day with regard to ministerial statements. I am wondering if the parliamentary secretary, in view of the importance of the subject matter, namely the Atlantic fishery, could consult with the Minister of Fisheries and Oceans to ascertain whether we can expect later this week some form of ministerial statement on the status of the Atlantic fishery and, in particular, the number of jobs which would be affected by what is taking place as a result of the meeting this afternoon in Ottawa.

Can the parliamentary secretary give us some assurances with regard to that particular representation?

Mr. Cooper: Mr. Speaker, I think my hon. friend has made his representation twice now. I am sure that the department and the minister are aware of it and will do all in their power to address the concerns of the fishery.

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

The Acting Speaker (Mr. DeBlois): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

The House resumed consideration of the motion of Mr. Peterson (p. 7108).

The Acting Speaker (Mr. DeBlois): The hon. member for Fredericton—York—Sunbury has 18 minutes left.

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, as I mentioned in my few brief remarks before Question Period, there are some excellent signals pointing toward a moderate and slowly developing economic recovery in Canada. I would just like to make some of those points for the record before I begin the main substance of my remarks.

New motor vehicles have risen 9 per cent from December 1991 to January 1992. The sales of existing homes rebounded sharply in December. The real GDP at factor cost advanced 0.1 per cent in November. The Statistic Canada composite leading indicator continued to grow in November by 0.4 per cent. The prime lending rate at banks was lowered to 7.5 per cent in January and is down by one-half from its peak of 14.75 per cent in May 1990. It is the lowest rate we have seen since May 1973.

Significantly, the prime rate differential with the United States has fallen 229 basis points since May 1990, and now the differential is only 100 basis points, down from 475 in July 1990.

The Canadian dollar is trading at 84.3 U.S. cents, its lowest level since February 1990. Inflation is clearly coming very much under control. Wage settlements in the third quarter averaged 3.3 per cent, down from 3.4 per cent in the second quarter and down from 6.1 per cent in the first quarter of last year.

Over the past six months the seasonally adjusted CPI has increased only 0.5 per cent. At an annual rate, excluding food and energy, the increase would have been 1.9 per cent.

On top of those statistics we have predictions by some of the world's foremost economic forecasters. The OECD September 1991 survey of Canada notes that fiscal actions and planning in Canada will leave our country well placed to maintain its traditional role as one of the most prosperous and fastest growing economies in the OECD area.

The British magazine, *The Economist*, in January said that Canada could expect the second strongest growth and the second lowest inflation among G-7 countries in the coming year. In our own Conference Board's 1992 world outlook, it was stated that the Canadian economy is expected to expand by 3.2 per cent compared with 3 per cent for Japan, 2.3 per cent for France and 2.1 per cent for the United States. Those are good signals and signs.

There is a strong competitive world out there and we do have to realistically take stock of our future potential and the actions we have to take to realize it. I want to talk today about changes we must make in the 1990s so that our country will keep up with world competition. We must change and change soon and over the long term hold our position as one of the world's leading economies and maintain our high standard of living.

The brutal fact is that we are not keeping up with the changing global economy. Canada is a trading nation. Few industrialized countries export more than 25 per cent of everything they produce as we do, but we are losing ground. While world trade has doubled in the past eight years, our share has slipped to 4.2 per cent from 5.1 per cent. It is the steepest decline of any market share in the group of seven nations. We have put our economic faith in our natural resources for too long. Our share in the world's resource dependent trade almost doubled to 9.5 per cent in 1989 from 5 per cent in 1978.

• (1520)

At the same time, our share of the world trade in non-resources actually fell. In 1985, for example, nearly half of Canada's exports were not resources, and that gave us a 3.4 per cent share of the world's non-resources trade. By 1989, only one-third of our exports were non-resource commodities and they only had a 2.7 per cent share of the world's non-resource trade market.

We cannot continue to rely on our natural resources for prosperity. Our main road to future prosperity must clearly be with the non-resource trading area. Too few companies are exporters. Harvard professor Michael Porter's study of Canadian competitiveness, released in October, found that Canada's top 50 industries produced more than one-fifth of all Canada's exports. Of these 50 companies, 35 produce unprocessed or modestly processed natural resources.

Of the 40,000 Canadian manufacturers, only about one-third export at all, even though the Canada-United States Free Trade Agreement has secured the biggest two-way trading opportunity for us in world history.

For those who export and work at developing export markets, success follows. Many successful Canadian companies are finding that establishing strategic alliances, adapting new technologies and using partners to expand into foreign markets are all critical to keeping up with the competition. But are we keeping up with the competition? The World Economic Forum reports that Canada ranks fifth in competitiveness among the 24 OECD countries, up from 11th place in 1986. We have a well educated work force. We have plentiful natural resources. We have excellent telecommunications and transportation networks. We have a competitive tax regime. These pluses are not guarantees of future prosperity. While Canada's over-all ranking appears very good at first glance, our ranking in other areas, which are critical contributors to our future competitiveness, is troubling.

In the 1980s, while other nations made significant gains, Canada's productivity growth stalled, despite strong investments over the past six years. According to the World Economic Forum, Canada ranks 12th in productivity performance with the U.S., Japan and much of Europe ahead of us. Canada is a trading nation, yet we are slow in meeting the challenges of a global marketplace. We rank 16th in terms of international orientation. Few other countries in the industrialized world are as dependent on trade as Canada, so our products should be among the best in the world. Yet in product quality, design and packaging, which are all critical to expanding markets, we rank 13th.

The prosperity initiative launched by the government last fall is intended to give Canadians the opportunity to build a plan which will secure a prosperous future for us. To build a competitive economy, I believe we need a new spirit, new partnerships and new approaches to competitiveness. That is what people are saying in the prosperity initiatives community talks. People are looking for more co-operation among the stakeholders in our economy. They especially want more co-operation among all levels of government, and more partnerships between management and labour for the competitive advantage of everyone. They are saying we must change our attitudes toward work, organization, workers, learning, skills and competition if we are to capitalize on our strengths. Clearly we have to take a good hard look at ourselves.

The prosperity initiative is that good hard look. It takes a good hard look at the underpinnings of Canadian competitiveness: skills training, science and technology, capital and investment, the nature of the internal economic union and international business.

I would like to talk about learning, and science and technology for a few more moments this afternoon.

Just two weeks ago the second international assessment of educational progress was released. The results were not encouraging for Canada, particularly when we rank third in education spending. Canadian 13-year-olds placed ninth out of 20 countries in a comparison of math and science knowledge, and Canadian 9-year-olds placed eighth out of 14 countries in a comparison of math knowledge.

We have one of the world's highest drop-out rates. At least 30 of every 100 youngsters entering Grade 9 drops out before graduation. That means there will be more than one million drop-outs in the 1990s if we do nothing. Many of those one million Canadians will joint the nearly 38 per cent of adults in Canada today who lack the literacy skills needed to be part of a labour force for knowledge based industries.

This problem is already evident today. A recent survey found that even in the midst of this recession, there are 300,000 jobs going begging because Canadian employers cannot find people with the right skills today to fill those positions. If it is a problem today when only 23 per cent of new jobs require more than 16 years of education, just imagine what the situation will be like in the year 2000, when 40 out of every 100 new jobs will require 16 more years of schooling and 63 per cent of all new jobs will require at least 12 years of education, or high school graduation. Yet in 1986 fewer than 50 per cent of adults beyond school age had high school diplomas.

Where are we going to find the people for these new jobs? It will not be from youngsters in school today. Since the 1970s, young people have made up an ever smaller proportion of the population and there is no sign this will change in the nineties. The most obvious source of trainable people is from those who are already working. So how will we go about training those workers?

We are not doing very well. For every dollar American companies spend in training, Canadian companies spend 50 cents. For every dollar that Japanese companies spend in training, we spend 20 cents, and for every dollar German companies spend in training, we spend 12.5 cents.

The federal government's concern about learning is shared by all Canadians. People are telling us in the community talks that we should focus on developing brain power, not raw materials, by improving the quality of education and providing continuous training. Higher national standards are needed to improve educational performance.

Canadians are looking for more and better partnerships between the business community and educational institutions. More effort must be put into developing training skills that will be useful throughout life and ensuring that workers are retrainable.

These are some of the dimensions of our learning challenge. In science and technology, only three out of every 100 Canadian companies do any research. Nearly 30 per cent of private sector research and development training is done by just four companies in Canada. Canadian firms invest only half as much in research as their German, American and Japanese counterparts. The rate of application of new technology to industrial processes in Canada is alarmingly low. According to a 1989 survey, fewer than half of Canadian manufacturers had implemented even one of the 22 leading manufacturing technologies such as robotics or laser technologies which are keys to productivity growth in the nineties.

These are the bright spots. Canada's research and development spending runs ahead of OECD averages in high tech sectors such as electronics, aerospace and computers. Private sector R and D in Canada has grown by 6.5 per cent a year in spite of the recession.

Companies investing in research and development get good returns, but many of our small and medium sized businesses find it difficult to fund research and development, whether related to products or processes. The federal government has therefore developed two approaches to deal with this problem.

The first is the university based network of 15 centres of excellence which provide business access to research facilities that could not otherwise be afforded by small businesses in Canada. The Research and Productivity Council facility in Fredericton is one such centre of excellence that does provide great service to New Brunswick.

The second is through the Department of Industry, Science and Technology where businesses will have access to the 200 federal labs.

• (1530)

This should lead to the development of more extensive alliances between the private and public sectors in the fields of research and development. We are creating chairs rapidly at many of our Canadian universities in these very important areas of science and technology.

Our productivity growth has stalled since 1980 and our real wages have not increased in nearly 20 years. It is clear from the recent report of the Economic Council of Canada that the key to changing our standard of living is to become more competitive in higher value products. This sort of change will not be affected by short-term quick fixes like interest or exchange rate fluctuations. On the contrary, depending on those kinds of approaches has left us ill-prepared for the global marketplace of the 1990s. Our economic situation cries out for fundamental long-term change and not for the quick fix.

One of our biggest challenges is to begin to change the attitudes of all Canadians: employers, parents, students, employees and every other stakeholder, toward the changes we need to make to keep up with world competition. Attitudes will not change overnight. It is going to take hard work to break down the barriers of suspicion and distrust built up over many years.

I am not pretending that finding ways to cultivate partnerships between schools and the business community, for example, is going to be effortless. It is going to take a lot of effort. Nor do I expect the tradition of confrontation between unions and management to suddenly disappear. But we have to start securing our future to prosperity, and the starting point is finding out new ways of working together. The prosperity initiative is about winning the commitment of Canadians to making those changes, to ensure that we produce nothing but quality products and services. With a commitment to new competitiveness, grounded in the traditional Canadian values of co-operation and team work in tackling and solving problems together, Canadians can compete successfully.

In conclusion, I would like to say that the prosperity initiative is aimed at increasing our competitiveness on a world scale, but not in order to meet some arbitrary economic target. We must remain competitive because there is an ever-increasing and competitive world. Increasing our competitiveness means a higher standard of living. This, in turn, will provide us with the means to a caring society that can secure the social programs we see as being essential to our lives as Canadians; a society that can continue to support the arts and culture which help us to understand ourselves; a society with the means and the will to make our education and technology second to none in all the world.

The global challenges we face constitute a race without a finish line. Let us show that we do have the strength and quality to be a leader in that race and to stay in that race indefinitely. Mr. Speaker, we can do it in Canada.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, first of all I would like to congratulate my colleague from New Brunswick on his speech here today. I noticed at the beginning of his text he mentioned there seemed to be signs of a turnaround.

I would like to apprise him of the situation as it now exists in my riding. Then maybe I could ask him for a commentary on some of the solutions as I see them, and see if he agrees with me.

First of all, he is quite aware that the Atholville mill has closed down. It was a producer of chlorine-free pulp and its closure has put about 300 people directly out of work, and roughly another 600 or 700 indirectly out of work. N.B. Forest Products in Dalhousie has just announced the closing down of 50 per cent of its operations, putting another 400 people directly out of work.

The federal government is also in the same process. There are rumours circulating right now that there is a possibility of job losses at the Chaleur airport. Canada Post is doing the same thing throughout the riding by reducing hours of work, closing post offices and not replacing postmasters or postmistresses.

After meeting with the farmers in my riding on Friday morning, I can say that they are concerned at the direction of the GATT negotiations. I am also led to believe that this summer there will be a reduction in funding for student employment programs. On top of all this there is roughly an 18 per cent unemployment rate in my riding and another 20 per cent on social assistance.

Having said all that, I would ask the hon. member whether he would agree with me that solutions are needed now, not tomorrow. We need them today. It is an urgent situation and we cannot afford to wait for the budget. We have waited for budgets before and quite often it has been negative news.

The hon. member, coming from New Brunswick, is quite aware that the provinces asked for the twinning of the Trans-Canada Highway. I would suggest that would be a viable project, but more specifically with reference to my riding and Atholville and Dalhousie mills, we need a specific agreement in place, a diversification agreement to help the economy in northern New Brunswick.

I ask the hon. member if he agrees with that diversification project. Quite often we hear about training and training and training, but what my people are telling me is: "Yes, training is fine but there are no jobs after the training". Where are the jobs? These people want to work.

Mr. Bird: Mr. Speaker, I would like to acknowledge the extremely difficult economic circumstances that exist in the hon. member's riding of Restigouche, an area that I know very well. In my former responsibilities as minister of natural resources in New Brunswick, I personally had a great deal to do with the Atholville mill and the Dalhousie mill and the assignment of forest resources in support of those mills.

For openers I would say that it is a very difficult and serious current circumstance for which there really is not a quick and easy solution. As I said in my text, there are no quick fixes. We are into a very intense world economic competitive situation. For example, in the case of the Atholville mill, the technology of that mill has not been able to keep up on an economic basis producing a product that the world requires at competitive prices.

There has been an immense effort made over the years by the company that owned that mill and by the employees who worked in that mill to master a technology that would make it competitive. In these extremely difficult days of 1992 it simply is not working.

There are some bright spots on the horizon in New Brunswick. I would say those bright spots pertain to the hon. member's riding, potentially at least. I would have to compliment the Government of New Brunswick for demonstrating the kind of innovation to which I referred. By taking advantage of New Brunswick's capabilities, as *The Globe and Mail* expressed in a long article today, New Brunswick has commenced to attract a diversity of industries such as Federal Express, a sound systems manufacturer in Edmonston—I have forgotten the name of the firm—Canadian Pacific Express and others based on its ability to serve Canadians in two official languages. Here is an application of the linguistic duality of Canada in an economic way that is making great sense for New Brunswick. I hope it will be an example to all of Canada. It is also an example of the kind of innovative approach that we can take to help to bolster our economic capabilities and our economic opportunities.

Through training, through skills development, through science and technology, and through research and development, in the long run I am confident that we can address the concerns of all areas of this country including the very difficult circumstances that presently exist in the hon. member's riding.

In closing, I would just like to say: Let us not forget that the forest resources of northern New Brunswick remain there. It is extremely important that we continue to manage them well to ensure that they continue to be available to produce the yields of the future that I believe will be the foundation for the rebirth of those industries which now find themselves in such difficult circumstances.

• (1540)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I listened carefully to my hon. friend's comments. As usual, I found them to be informative and thoughtful. He mentioned forestry and the need not to forget an important natural resource which provides us with more financial support for the country than virtually almost all other exports combined. It is very critical in terms of jobs and economic development. One of the points he makes is that we have to generate more valued added from our natural resources, forestry being a good case in point.

My question is: Would he not agree that compared to most other countries the products that we derive from a cubic metre of wood from our forests is significantly less than we would find in virtually all other forest producing nations? Would he not agree that a good investment—and I emphasize the term investment—would be for the federal government in combination with provincial governments to invest more effort and resources in funding research and development, particularly in those areas pertaining to value added, for our forest industry?

Mr. Bird: Mr. Speaker, yes, I think that our resource areas and the opportunities to create value added products and value added economic activity in areas such as forestry agriculture, mining and so on are obvious areas of application.

As I said in my remarks, Canada has too long relied on its resource industries. Our resource industry activity doubled in the late seventies and eighties, whereas our productivity in non-resource commodities has deteriorated and diminished. We stand in a very poor state of progress with respect to our OECD colleagues and competitors.

We cannot rely only on the resource area. In fact, a great deal can be said for increasing our investment in areas of non-resource products. Fortunately we are doing that in such areas, for example, as telecommunications and electronics. I was struck the other day by a figure of $700 billion in new service materials that the GATT negotiations are going to open up if they are concluded successfully.

The short answer to that question is that yes, we have to continue to pay attention to our resource areas, but we have to quit relying on our resource areas to the degree that we have in the past and direct our investments in other non-resource areas as well.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to join in this debate on the economy. The motion put forward by the member for Willowdale is a very straightforward one which deserves the support of the House. He states:

> That this House condemn the government for its economic mishandling and incompetence.

This is the type of of straightforward thinking the House should convey to the Canadian public, that in fact the economy is in terrible shape and it is a direct result of mismanagement by this government.

Through the work of our critic on industrial development, through the member for Willowdale, this side of the House has spent many hours talking to Canadians from coast to coast and developing our own approach to it. I think the time has come in this country for a new approach on the economy.

I might start out by reflecting on my own constituency. I am sure we all have this experience. We heard the exchange between the members from New Brunswick. The reality is that there are high levels of unemployment and lack of opportunity now permeates the total provincial economies from coast to coast. It is now something that is on the front burners which we have to deal with.

When I went for a Monday morning ceremony at a school run by the aboriginal community in the inner city of Winnipeg in my constituency, I was struck by the seriousness of the students standing around and talking. I listened carefully during a pipe ceremony. I said to myself: "If I were leading this pipe ceremony and if I were their spiritual leader, how would I offer them hope in this economy?"

To have hope one has to have a vision. To have a vision one must be able to gather people together, to talk with the people and to instil in them a sense of confidence. In many respects, this quiet session among aboriginal youth represented the country in that nobody is there to give them hope, nobody is there willing to resource that hope, nobody is willing to push the country to the limit to rebuild the economy.

Instead of instilling hope, instead of making people understand there is a reason to have confidence, there is a reason to reinvest, there is a reason to build, this government has sold nothing but bad news for the last eight years. The result of this accumulation of bad news is a country which feels bad about itself and is without hope.

I was also struck by what was said in conversations with my nephew who was here visiting, a Trent University student. We were speaking about the economy. I asked myself, if I was in his situation would I have the confidence to keep going to university, to keep investing, to ask my family for money in order to build up the credentials to go into this job market? I think it is a testimony to hundreds of thousands of students across this country that they keep going despite the bleak news on the front pages of the newspapers. If you are a student in Winnipeg and read the headline on Saturday, February 8: "Unemployment takes leap. Even with shrunken Manitoba work force, unemployment up 2.1 per cent", would it give you any reason for hope to continue on in university or continue on at community college?

Listen to the report prepared by Employment and Immigration Canada, the government's own spokespeople, in a document entitled "Manitoba Labour Market Highlights for January 1992". In this document the writers state: "January's employment scene paints a chilly and foreboding picture. Figures released today from Statistics Canada in its monthly labour force survey show that on a seasonally adjusted basis, Manitoba's jobless rate jumped 1.7 percentage points to 9.9 per cent, while the labour force edged down only slightly by 1,000. Seasonally adjusted employment fell sharply by 10,000 to 484,000. Most of the job decline was felt by males whose employment dropped by 7,000. The Manitoba seasonally adjusted jobless rate ranks fourth lowest behind Saskatchewan, Alberta and Ontario. The labour force is down 1,000, employment is down 10,000, participation rate is down 1 per cent, unemployment rate up 1.7 per cent".

Given these statistics and given as evidence of the decline of the Manitoba economy, it is no longer sufficient to stand around and say: "Things will be better in the fall. The fourth quarter is looking great. Things will be better in the first quarter in 1993. The economy will be better for your family. It is just around the corner, just hang in there. Forget about the fact that you did not have any UI as of December. Forget about the fact that your city is going broke because of welfare. Forget all that. We promise you that some day in the future, even though we are planning to do absolutely nothing to help you, things are going to be better for you".

The economy needs a plan, a vision, and it needs assistance. As I noted at the beginning of my speech, the Liberal Party has spent several months preparing itself to present to the Canadian people a plan of action which makes sense and is fiscally responsible. We are not only doing this on a national level but we are also doing this on a regional and local level.

In January we announced what we called a five-point, one-year emergency plan. This was also an extension of what we said in our minority report for the subcommittee on poverty, where the Conservative majority refused to deal with the issue of the immediacy of the problem of child poverty. The government must act now and we give the following five suggestions as to how the economy can be kick-started.

(1) A 5 per cent minimum down payment for first-time home buyers. Ever since World War II housing has been the key to kick-starting the economy and to giving people a product they can use literally for generations after.

(2) Allow the use of RRSPs to finance first-time homes. Again, get that housing market started.

(3) A shared cost infrastructure program. This government fails to recognize that every municipality in this country, even the smallest of cities, needs infrastructure and improvements.

• (1550)

It is an investment that Canadians are willing to make. It creates jobs. It creates a product that everybody can use. It is something worth fighting for.

(4) Intensified training initiatives. The previous speaker from the government side noted the need for training. While we have all noted the need for training, those of us who have spent our life in education could have told the government that 20 years ago.

It has been told year after year since it became the government that training is important. What do we have? The end product is cutbacks on the UI program which costs thousands of young Canadians the opportunity to properly train. How can you stand up and talk about training without putting the resources in it so that those who need it understand that they also have some support?

(5) Emergency funding for the food banks. Prices are so expensive this year that we must offer cash assistance to prop them up during 1992.

We also need plans for different cities. In Winnipeg, after several consultations, we have come forward with an eight-point program for an economic plan to help new Canadians get the proper education, to help new Canadians get English as a second language so they can get better jobs, to improve the minimum wage so that new Canadians do not get stuck in jobs that pay $4.50 to $5 an hour because this government now has the lowest minimum wage jurisdiction in the country, to make sure that immigration policy does support family reunification because through families, new Canadians create wealth.

The government's policies are totally counterproductive to job creation.

We must find ways to get new Canadians involved in the planning of the economy. When we talk about Asian markets, why are we not dealing with new Canadians from the Asian countries and giving them opportunities to participate in government decision making and in developing trade programs by using their language skills?

There are many ways to get the economy going. The only way that does not work for sure is the way this government is approaching it. We on this side can only hope that the budget produces new ideas and new hopes in Canadians, a new focus for the budget process and an opportunity to get this economy going in 1992 for all of Canada and for Winnipeg where we definitely need the help of the federal government.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I would like at the outset to congratulate the hon. member from Winnipeg for his speech.

Everywhere I go throughout Canada when speaking with young people, one of their major concerns is that there seems to be an absence in government policy. The youth issue is exactly what they are referring to.

In an era when the government speaks a great deal about global competitiveness, statistics and facts show that the youth element of this strategy is absent. If the government plans to indeed compete at the global level, it must realize that we must train young Canadians. We must give them opportunities.

We have approximately 400,000 young people in Canada who are presently unemployed. That does not include the number of young people who are on the welfare rolls.

I wonder if the member from Winnipeg can comment on the importance of having an all-embracing youth strategy in place for this nation to prosper and meet the challenges of the 21st century.

Mr. Walker: Mr. Speaker, I would like to thank the member for York North for bringing this to the attention of all Canadians.

We do need a youth strategy. I would like to respond quickly by pointing out three areas of concern. First, with aboriginal youth, there are almost no support systems in urban Canada. When they talk in western Canada about having one in four entrants to the labour market being aboriginal youth, there could be a total destruction of the capacity of that economy to grow because we have not trained and provided for job readiness.

Second, changes in the UI legislation which I referred to in my speech make it almost impossible for people to re-enter or to enter training programs because they do not have a history in the job market. With employment rates among young people sometimes three times as high as the national average, how can you get started in the system to get properly trained if you cannot get that first job to get into it.

We have a vicious circle with people sitting at home saying: "I wish I could be trained for something". The first question they get asked is: "Are you unemployed?" "Yes". "Do you have UI?" "No, I have not worked enough". "Sorry, we cannot help you to get out of that". The frustration that is building up behind the scenes on this issue is something to be listened to.

When our critic goes from campus to campus and talks to students, he understands that they too are the third priority group that we have to deal with. Students need summer jobs. They need hundreds of thousands of summer jobs.

How can you get trained to prepare for the job market if you cannot get a job during the summer? How can we ask this generation to begin to form families, to even think about buying a house when they start their life with $20,000 to $30,000 of debt because we have been incompetent at the national level in financing universities, financing education and financing summer jobs?

I think this is the biggest tragedy about to face young Canadians. Again, we await the budget because if the government passes up this opportunity to help young people, it really is losing a golden opportunity to extend a welcome hand.

Mr. Sergio Marchi (York West): Mr. Speaker, I too join my colleague, the member for York North in commending the comments made by our colleague, the member for Winnipeg North Centre.

The hon. member for York North talked quite rightly about one end of the spectrum, that is to say young Canadians, tomorrow's future. Certainly those individuals want to play a role and a part, not tomorrow but today.

I am wondering if the member could also address the other end of the spectrum where I think there is an equally big problem. I see it in my riding every day, that is to say the older workers, those who are not chronologically old but age 50 to 55.

They wish to continue to put perhaps another five years in the work place to pay off the mortgage or to put children through school. As soon as they are laid off I am also finding that these are the individuals who our firms and our business community are not willing to reinvest in, perhaps because of their age and perhaps because they can find cheaper labour with less experience.

I am just wondering how we also address the other end of the spectrum.

Mr. Walker: We will need another debate to bring to the attention of the government all the problems related to the older worker.

Nothing is more tragic than to be age 50 to 55 and to see a company pick up and move to the southern United States because of free trade, because of the dollar, for whatever reason it may want to give, to leave. You have no job, your UI runs out and there you are, after all these years in the labour force going for welfare.

This problem deserves a much longer debate. We must impress upon the government the need to help these people.

Mr. Sergio Marchi (York West): Mr. Speaker, I would like to start by saying that I find the motion put forth by my colleague, the member for Willowdale, quite timely.

I say timely and accurately because I cannot engage in any discussion in my riding—and I would assume it is the same in the other 294 ridings in the country—whether it is over dinner, whether it is in a cafe, whether it is in a library, whether it is addressing students in schools, or whether it is talking with parishioners after mass on a Sunday at the local church, without talking about the poor health, the frail health of our economy.

The face of that economy takes different strands which when quilted together offer an economic blanket that clearly is not providing neither comfort nor cover for Canadians across the country.

When we look at statistics in terms of an uncompetitive and overvalued dollar, when we look at manufacturing jobs lost, in the area of almost 100,000 for last year alone, when we look at unemployment rates of over 10 per cent across the country including metropolitan Toronto and my riding, when we consider that means some 2.2 million people on welfare with over 1 million kids living under the poverty line, when we talk about the question that taxation on all three levels, particularly the federal income tax slice, aggravated by the GST, it is impossible for many Canadians to make ends meet at the end of the month.

I was in my riding on Thursday evening conducting a public meeting, as I do every month. That was the greatest thread of evidence that came through, that we are killing Canadians through taxation. They get a sense that they are working more for different levels of government, particularly the national level, than they are for their own future and the future of their own families.

• (1600)

There were over 50,000 bankruptcies in 1991 alone which was almost a 50 per cent increase from 1990. Look at the number of people lining up at food banks, numbering two million nation-wide. Of them 700,000 are children.

It is one thing to quote statistics as I have. We also need to recognize those statistics first and then respond to them. This government has had a difficult time in recognizing them when our Prime Minister goes on tour in southern Ontario to show the kinder or gentler version of our Prime Minister.

He was met stop after stop after stop by Canadians who are not propelled into simply protesting the office of the Prime Minister for which all of us, including members on this side, need to have some regard and some respect.

Those people who come out, whether it is to my public meeting at St. Gerard Magella on a Thursday night, or whether it is to meet the Prime Minister in Peterborough on a Friday night, are largely propelled by the economic anxiety that they feel in their gut. That anxiety is defined by either not having a job or by having a job that has gone from full time to part time or defined by the fact that a wife or spouse has to look for a job because you cannot make a go of it any more.

That is what is fuelling Canadians to seek answers from a Prime Minister who responds by offensive platitudes like the word "crackpot" rather than recognizing the need for those people to have economic hope and economic certainty.

We have two opportunities to respond, two opportunities to propose a recovery package to this economic recession, this economic draught. It is either going to be consumer led or there will have to be some leadership, some stimulus from the national level.

Let us look at the first option. Do we believe that Canadians today are going to lead us out of a recession by consumer spending? Let us be honest about it. They will not. What are Canadians telling us? I know they are telling me that if they have a few dollars they will put them either under their mattresses or in their savings accounts for an even rainier day.

They are telling me that rather than buying that new car they are going to put up with the 1984 car for another couple of years. They will change some parts but they will keep it going. They are telling me that rather than buying the second television set they are going to force their kids and the family to watch the same program on the first one. What they are telling me is that they do not have the confidence nor the faith to invest and to spend. They are holding back.

We are not going to see great retail sales. We are not going to see great sales of cars, fridges and commodities because Canadians are not encouraged enough, not inspired enough, not confident enough to spend in our Canadian economy. Therefore there will be no spinner effect nor multiplier effect to get us out of this economic pit.

Whether we like it or not, we have to take a look at the second option which is a nationally stimulated, leadership driven recovery. The government has been telling members on this side: "We can't. We have a deficit. We have a large deficit. We can't spend".

I am trying to be responsible along with my colleagues. I recognize the vast and great debt load. What we also have to recognize is if there is no induced leadership or stimulus, the recovery will be very long. If the recovery is very long in coming, many people will get hurt and many more people will go under. That is something we are not prepared to accept or condone.

I say to the government on the other side that we have a large deficit, but for every unemployed Canadian, we are paying $14,000 for that person to stay at home and stay unemployed. When they are finished unemployment insurance, we tell Canadians: "Now that you are finished unemployment, go collect another $14,000 a year on welfare". The person stays at home again. Where is the dignity? Where is the productivity? Where are the revenues to come back to the government from those Canadians who actually are paid to stay at home? It is not training them, not putting them back to work, but paying them to stay at home.

On the one hand you have many unemployed Canadians robbed of their dignity and on the other you have a few other fortunate Canadians who are working, saying: "Most of my taxes are going to support people who do not work and cannot work". You have two sectors of society that are pitted against each other.

If we are spending $30 billion a year on unemployment and welfare payments alone, does it not make sense to take portions of that $30 billion and try to stimulate it responsibly wherever you can?

We have suggested a five-point program. It is not exhaustive; it does not have all the answers. There is room for other initiatives. We have offered in good faith, after some well thought out debate in our caucus and party, that these five points would to a certain degree ignite the economic engine again. The government can support some of them or say no to some. If it says no, hopefully it will replace it with its own.

This government simply cannot hide solely behind the deficit. I have a deficit. It is called a mortgage; the bank owns my house. I borrow that house from the bank because I did not have enough money to put down. I have a deficit that I am carrying. That deficit does not preclude me from having a car. It does not preclude me the odd time from going with my spouse to a movie or to dinner, but within my means.

All Canadians are carrying their own personal deficits, whether you define that as a mortgage or other debts. This country is as well but it should not preclude any action that would put people back to work. If we do put people back to work through stimulus, it would give dignity to those people. It would eliminate $14,000 per person from the public purse which we are supporting through unemployment insurance and welfare. The person working is creating revenues and, therefore, is creating taxes for the government. The person earning an income can maybe find the confidence within himself or herself then to spend in the economy again. Maybe, just maybe, we will get this economy humming again as many Canadians hope.

Those people who came out to Peterborough to meet the Prime Minister were not doing so out of any irresponsible act toward the government or the Prime Minister, notwithstanding the fact that many people might have some very strong opinions about the Prime Minister. The message there and the message at my public meeting on Thursday and to the kids I visited at St. Angela's on Friday morning was very clear: put people back to work.

There is a role for government to play. Not all government action is bad action. Some of it is called leadership, some of it is called responsibility. In today's debate our message to this government is to have a bit of a quiet awakening and to get Canadians and this country back to work again, which means you need to risk and spend something if you want something in return. Otherwise you get nothing.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I want to start by congratulating my colleague from York West on a very well done presentation. In his presentation he not only criticized the actions of the government but made some legitimate proposals reflecting a progressive proposal made by the Leader of the Opposition some time ago.

• (1610)

Surely my colleague would agree with me that the federal government is washing its hands of the whole question of getting the economy moving, whether through further reducing interest rates so that they would be in parity with the interest rates of the United States, or through easing the pressure on the dollar so it will fall to a reasonable level so our industry can compete internationally.

Surely my colleague can see a role for the provincial government to play. I would like him to share with me any concerns or any suggestions he might like to make to the Government of Ontario because, as a representative from an urban centre, surely he is faced with the same pressure as all of our colleagues from all of the urban centres in Ontario are faced with: the need for progressive actions. All we have been hearing from our leaders, both provincially and federally, are tough economic times. Frankly you do not need to elect a politician and pay him $80,000 or $60,000 or $40,000 a year to tell you there are tough times out there. Any one of my constituents can perform that job very eloquently.

I was pleased with my colleague's presentation. He came up with some sort of tangible proposal. Would my colleague from York West share with us his suggestions for or his comments on the performance of the provincial government when it comes to economic renewal?

Mr. Marchi: Mr. Speaker, I would like to thank my colleague from Ottawa Centre who raises a very important point concerning the role of the province.

My colleague quite rightly pointed to the lack of leadership to a certain degree being offered by the Premier of Ontario, who created expectations when he said, two or three weeks before his TV appearance that he was going to go on television to address Ontarians. Legitimately there were a number of expectations generated as to what he was going to tell Canadians living in the province of Ontario; perhaps announce some new proposals and new programs that will stimulate the economy. Instead, he was bankrupt of ideas. It was more an opportunity to tune in to Ontarians in their living rooms and almost play a bit of the Pontius Pilate role and suggest that it is the federal role.

No doubt the federal role is a very large one. I think each of us should look to our own constituencies and to ourselves for leadership as we have done. We have not only criticized as an opposition. We have advanced an agenda, if you will, that the government should adopt and run with. The only thing the premier advanced in that television commercial was the offer that if Ottawa were to give the Ontario government a dollar for public works it would match it. He did this knowing full well what Ottawa has said to him repeatedly about not providing any extra dollars. The rest was academic. He said: "We are in tough times. It is very rough. Good luck and good night".

What is Ontario doing for the small business sector? He suggests that Ed Phillip, the minister of industry, is the point man to have a dialogue with the small businesses. There is nothing there for the small businessman. What is he doing with the municipalities rather than talking to the federal government? Why does he not talk to the city of North York and the city of Toronto and ask, if the federal government does not want to participate, what we can do to put people back to work? What is Ontario government doing for summer jobs that my colleagues from York North and Winnipeg North Centre talked about earlier? What about people at Ontario universities and Ontario colleges and Ontario youth? What is the summer program for them?

I am saying that people in positions of authority and in governments, whether they be provincial or federal, should not pass the ball but take it and run with it.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I had prepared a very specific speech on small and medium sized businesses for today's debate and I must tell you that after hearing what has been said here in this House since this morning, I feel like giving some background information.

To be honest, some stupid things have been said here today, many by the people opposite. I am just thinking of all the comments we had on the value of the dollar and on interest rates. I am also thinking of what opposition members said about lowering the value of the dollar, that they could do it and that the government should do it and so on. Those listening to us know that the federal government has something to do with setting the value of the dollar. They also know that the Canadian dollar is traded around the world and fluctuates as a result of decisions made outside the country. I think that we must be realistic. The Bank of Canada is supposed to have some idea of what the dollar should be worth and to prevent it from rising or falling too quickly, but the fact remains that foreign investments in our dollar automatically influence its value and the government by itself cannot set the rate. It can help, but it cannot decide alone. I think that must be emphasized.

I did not hear the opposition thank or congratulate the government because interest rates are falling and the lowest in 15 years. I did not hear opposition members say that they meet their constituents every weekend to deal with these various problems. In the riding of Trois-Rivières, some people thank me because their rent or mortgage payments are less as a result of lower interest rates. People have pointed this out to me and I am sure that they have pointed it out to opposition members, who unfortunately forget to repeat it here. The cost of borrowing is important, especially when it has dropped drastically in the past few months; for example, car payments are lower. I think that must be mentioned because it is part of this government's overall economic policy and part of a country's economic foundation. If people have to pay less to borrow, they have more money to spend and that will help revive the economy, but that is not pointed out.

Neither have they mentioned that this government has managed to control inflation. You know as I do that in 1981 and 1982 inflation was 12 per cent. As you will remember, Mr. Speaker, even though you are very young, the government at that time, which is now on the opposition benches, had let interest rates rise to 24 per cent; that was its way of lowering inflation, because no one and no country can survive 12 per cent inflation. Do you think that brought inflation down? Of course, but it was pretty strong medicine. We saw what interest rates of 24 per cent did in 1981–82. When we talk about economics and read the opposition motion today, we must keep in mind what happened in 1981–82.

Allow me, Mr. Speaker, to return to the subject of small and medium sized businesses in Canada and Quebec. It must be mentioned that they created 80 per cent of permanent jobs in recent years. That must be pointed out because businesses of this size are in the midst of restructuring in 1992. They must adjust to the world economy. There are no more barriers, no more frontiers for them now. They must compete not only in Quebec, not only in the St. Maurice region where I come from, but they must compete in Canada and abroad. If they are to compete, their costs must be low and their production of excellent quality. They must have modern technology and that is why our small and medium sized businesses are now undergoing changes. They must move from a regional or provincial economy to a world economy if they are to progress.

• (1620)

Our government has taken action to help our small and medium sized businesses such as technology initiatives, international marketing and education for small-business people. Free trade has removed barriers, thus enabling many companies to go abroad for new markets. Courses are given to the staff of small and medium sized businesses and these businesses are offered financial assistance. In addition, regional development programs in various regions of the country also help our small businesses.

Mr. Speaker, you know that Canadians are being consulted on the prosperity initiative. The report on this consultation will probably be presented in June and we will see what people throughout the country said and what they expect the Canadian government to do to help our companies, mainly our small and medium sized ones, not only survive but also grow in Canada, in North America and internationally. We must also think of the unified European common market, which is now a reality; our people must also go there. Indeed they must compete almost everywhere.

On that score I think that we all have ideas on what should be done, and our productivity in Quebec and in Canada must improve. If we want to be able to compete with countries whose technology is very advanced and whose productivity is very high, we here in Quebec and in Canada must do our homework. Here again, programs are available for companies, but Canadians in every region must really think that they are the best and that they will produce the best product, which will be sold and recognized as such. We have some work to do there.

Small and medium sized businesses include tourism. Canada now offers 4,000 different products and services to all those in Europe, Japan and many other places who wish to visit Canada. Tourism is an industry, maybe the one with the highest concentration of small and medium sized businesses. It is a very profitable industry and again must be able to provide outstanding service. Whenever outsiders come to our region, I tell them that they will be well received. Because of the quality of the region's facilities, it is a pleasure to invite people to visit us. It should be like this everywhere in Canada. We ought to be able to say that our tourist industry is the best in the world. To be the best, service is what counts. When you are on a vacation, you want good service. That is why we must put the emphasis on service and on the quality of our facilities. We have excellent facilities of all kinds across Canada that are attractive to visitors. We must stress that.

There is also the Federal Business Development Bank, a federal agency that plays a part in helping small businesses. Many courses are given annually by FBDB people to help entrepreneurs, both people who are starting a business and those who want to expand.

I was talking earlier about financing. The Small Businesses Loans Act guarantees 85 per cent of the amount borrowed by a company that is starting a business. Because of the risk involved, a company in this situation which asks a financial institution for a loan might be turned down, but under the small businesses loans system, the loan will normally be approved, because the potential liability for the financial institution is not more than 15 per cent. This excellent funding mechanism adds up to a total investment of $1.5 billion annually by the federal government to help small businesses.

Mr. Speaker, as you know, our exports represent 25 per cent of our total production. Twenty-five per cent of what we produce in Canada is exported, which means it is important, even where free trade is concerned, to ensure that we have a high quality product, because we have nothing to lose and everything to gain, and as a result, these companies will grow and expand. To be able to export more, we must prove we can produce quality. Our workers must concentrate on producing high quality products at the lowest possible cost.

In concluding perhaps I may say a few words, especially for the benefit of our colleagues opposite, about the free trade agreement. Between 1988 and 1990 our exports to the United States increased by $5 billion. Five billion dollars more in sales between 1988 and 1990, which means that free trade has been highly profitable for Canada and will continue to be profitable, despite the fact that our dollar is not as low as we might want it to be.

Perhaps I may say in concluding that the motion presented today by the hon. member for Willowdale does not represent current economic reality and is certainly not the kind of message that politicians should give Canadians. I think Canadians are sick and tired of hearing the opposition criticize without ever producing realistic and practical solutions or giving this government recognition for what it has achieved, which includes substantial savings in a number of sectors.

The motion before the House today does not reflect what is happening and what is expected to happen in the future, and therefore the hon. member for Willowdale should realize what has been done and start taking a positive attitude, in the best interest of Canada as a whole.

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Restigouche—Chaleur—Education; the hon. member for Algoma—General Agreement on Tariffs and Trade; the hon. member for Dartmouth—Atlantic Economy; the hon. member for Sault Ste. Marie— Algoma Steel; the hon. member for Okanagan—Shuswap—Nuclear Industry.

I have received written notice from the hon. member for Kitchener, that he will be unable to move his item under Private Members' Business on February 18, 1992. Since it has proven impossible to exchange positions in the order of precedence, pursuant to Standing Order 94(2)(a) I will ask the clerk to drop this item to the bottom of the order of precedence on the Order Paper.

Pursuant to Standing Order 94(2)(b), Private Member's Business will be suspended and the House will continue with the business before it at the time.

• (1630)

[*English*]

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, it is a pleasure to have an opportunity to say a few words in respect to this Liberal opposition motion:

> That this House condemn the government for its economic mishandling and incompetence.

I am sure it would reflect with a great deal of accuracy the feelings of many Canadians if I were to take the time available to me to criticize and only criticize the government for its policies which have hurt so many Canadians so badly. It seems to me it would be better for me to take an opportunity to look at what the government has called its competitiveness agenda and make the point that what we are really talking about if we are going to be a successful Canadian economy is that we are going to have to create an opportunity economy.

I would like to make a rather more positively oriented contribution this afternoon by saying the following. All sectors of our economy, whether they be services, manufacturing or resources, will increasingly depend upon our ability to use research, technology, skills and knowledge to increase the value of goods and services that we export internationally. In fact, if one looks at value added, what we are really saying is that we must invest more of human creativity in what we sell, and what we sell must be what people will want because they have that value.

The target of success therefore lies in the production of high value added tradable goods and services, and this will require the implementation of a number of policy initiatives, in particular in the building of a trained and educated work force that not only can cope in a high-tech environment but can bring creativity to the workplace in a way that enhances a company's ability to find and satisfy market demand.

This must be the motive of an opportunity economy. That Canada must switch from a resource based branch plant economy to one based on technology and knowledge is something that all have now recognized. There are so many things that have been done that impede our ability to make this reorientation.

The free trade agreement, for example, deprives Canada not only of our traditional economic advantages and natural resources and energy, but of the basic tools and protections that virtually every other industrial country has used to convert itself to a successful high-tech, high value added economy. Under the free trade agreement already toothless investment rules have been made worse, and it allows Canadian capital and taxpayer footed R and D to slip away from us just as some of our best R and D performers are swallowed up by foreign ownership; this in spite of the fact that we all recognize now that foreign ownership goes hand in hand with R and D underperformance and, too often, job losses.

The subsidy and procurement roles, for example, deprive Canada of the mechanisms that in the United States particularly have been so effectively used to create industrial growth. Far from running from past mistakes, the Conservatives are now going to negotiate a free trade deal that will involve Mexico. Jobs in the auto parts industry have already been lost to Mexico, yet does anyone think that $1.68 a day Mexican labour is going to buy a $15,000 car?

But the free trade agreement and the potential NAFTA are only a part of a battery of Tory economic policies or potential policies that have blasted the economy into a recession and have wrecked our resource and development potential. High interest rates and the high dollar are like two barrels in a shotgun. The auto parts industry, for example, is so heavily squeezed by declining profit margins caused by the high dollar that there is virtually no money left to do the research and development that they need to do to compete.

Last year Ontario alone lost 10 per cent of its manufacturing jobs, many of them to Mexico's cheap labour and low standards. Quebec lost 85,000 manufacturing jobs, while B.C.'s resource industries were savaged by declining commodity prices and an overvalued Canadian dollar, not to speak of American trade barriers.

The creation of a knowledge based economy depends not only on scientists and engineers, which all too often have been overemphasized in this House, but upon enlightened social policies that will enable Canadian workers to use their talents and their intelligence and creativity. We cannot succeed when 20 per cent of our population is functionally illiterate and innumerate. We cannot succeed without the industrial training and apprenticeship available in other countries but which have been so long neglected by both governments and industry.

As we make these significant economic changes, we must not forget that there will be an abundant need for adjustment programs for workers who have been shifted from one sector of the economy to the other.

So far the Tory vision of competitiveness has been represented to us as a kind of cut-throat metabolism that has so far wreaked havoc on the economy and too many people's lives. We should instead blend economic efficiency and compassion in an opportunity economy that aims for equal economic and social citizenship in this country.

An economy is only successful if it empowers all people to take full advantage of their economic potential, their talent and their creativity through education, training and the development of skills. We cannot expect any Canadians to contribute productively unless they are first adequately clothed, housed and fed.

Social justice, in short, therefore is a foundation upon which a strong economy is built. It is the path to wealth creation, highways, jobs and greater security, as well as the ability to sustain social programs themselves in a virtuous circle of ever greater equity and efficiency.

The alternative to a high-tech economy based on an educated, trained work force will be a destructive competition with Third World countries for the lowest wages, the worst social programs, and the most poorly protected environment. It would be a menu for failure.

The notion that economic growth must be traded off for greater fairness is a fallacy. Many policies which promote equity are also fundamental to an increase in economic growth. Countries that have moved toward greater economic equity in the 1980s—Japan, Sweden and Belgium, for example—have achieved a greater level of productivity than those countries that have paid little attention to the significance of equity such as the United States, Australia and tragically Canada as well.

Industrial policy is not simply moving factories around like marbles in a shell game or being number one in every industry. Environmentally sustainable knowledge based economies have to find technological niches that match local and regional strengths, for example, with respect to the location of national resources, geographic location and existing industrial infrastructure.

Government, business and labour must co-operate in order to respond to customers in terms of quality and cost, in order to develop products and processes that satisfy market demand. As such the federal government should help regions and municipalities accentuate their advantages and should encourage them to work with local businesses and labour groups in forging economic development strategies which will serve their municipalities and their regions. Substantial investment in infrastructure, for example, would not only produce jobs over the short run. They will represent the fundamental assets necessary in Canada to attract and maintain new industries where that has been made possible.

Instead of depending upon branch plants of the multinational foreign companies, we should push for indigenous industries that have local management, local production, marketing, and resource and development centred in our country. In particular, we should help the home grown small and medium sized firms. The SMEs create most of the jobs that are produced in this country. They do most of their research and development here and reflect the creativity of Canadians, a level of creativity that we must enhance.

• (1640)

However, the free trade agreement that we have and the potential free trade agreement being negotiated have and will jeopardize their markets. As well high interest rates would make it harder to get seed money. The high dollar makes their products more expensive abroad and makes investment in R and D and new technology almost impossible.

Thus, buffeted by so much that this government has imposed upon them, many of our small and medium sized enterprises are threatened by multinationals with deep pockets or which put a squeeze on profits that the small and medium sized enterprises cannot afford, such that they cannot afford the R and D that they need to stay competitive.

The small and medium sized enterprises, therefore, should be a target of whatever federal supports there should be, of strategic procurement, of technology networks, and of other support which will enhance our technology and resource and development.

The government should help train managers and encourage both basic research and research consortia. Instead of tax bonanzas for mergers and real estate speculation, the tax system should encourage industrial investment in research and development and in value added process in product technology.

In the longer term we need to be careful to re-evaluate our tax system in an attempt to reconcile tax fairness which we insist must be accomplished with a tax regime that will stimulate investment in our indigenous, small and medium sized enterprises.

There is nothing we have not heard before in the prosperity papers the government now has circulating across the country for discussion and workshops. Much of it has come from us on this side of the House, from groups of scientists, educators and academic industrialists familiar with what economic growth is all about.

This government already knows the route to prosperity. That route is, as I said, through the imagination and creativity of our people. Canadians recognize that, and that recognition we hope will ultimately be contained in the Constitution of our country because most Canadians now are aware of what happened in Montreal when we were discussing the economic union.

Tom Kierans stood before that group of people trying to consider Canada's future and said that we cannot have economic efficiency without equity. That was supported subsequently by Mr. Castonguay who said there must be for all Canadians a social charter that will guarantee that equity. He too recognized that the fundamental underpinning of economic success is the empowerment of Canadians.

We should not be talking about the competitive economy or any of those things as much as we should be talking about opportunity economy. Canada will thrive. Canada will prosper. Canada will be successful economically on that day when all Canadians have had the opportunity to use their native talents in terms of the skills and education provided to them. Whether they are the worker on the plant floor, the supervisor, the engineer or the research scientist in the laboratory, all of them represent a necessary interconnection with those who want to see the kinds of goods and services Canada can provide which are appropriate to the Canadian economy and which reflect those talents.

I plead not for the competition economy but for the opportunity economy. That kind of economic policy, I think most Canadians would support. Let the greatest strength of Canada, its commitment to social justice, be the basis for economic success and we will be true to ourselves and just as competitive as we need to be.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I listened very attentively to the hon. member from Windsor who eloquently stated his vision for the nation and indeed his economic outlook for this country.

The underlying theme in today's debate above and beyond the numbers that we are dealing with is indeed the issue of a crisis in confidence. Canadian people are deeply concerned about the direction in which this country is going.

It should not be surprising, because Canadians feel cheated. In the 1988 election Canadians were offered a free trade deal which was going to give them jobs. That did not work out. Canadians were offered a tax reform package that was going to put more money back into their pockets. That did not work out. As a matter of fact since 1984 the tax changes have increased the tax burden on the average family by over $1,500.

These two elections were also matched by the election of the New Democratic Party in the province of Ontario. The hon. member for Windsor—St. Clair must know by now that if the unemployment situation continues to rise as it has in Canada and particularly in Ontario, some of the concerns that he has could have easily been adopted through that provincial legislature.

When we speak about training, for example, for young people, when we talk about workers readjustment programs, every single level of government has a stake.

I have a question for the hon. member. Is he going to relay or has he relayed some of his deep thoughts, some of his visionary economic outlook for this country, to his colleague, the premier of the province of Ontario, who has not done many of the things he promised he would do during the provincial election?

At the end of the day we must realize that the problems of the nation know no boundaries. It does not matter which legislature. It does not matter which level of government. We have a serious crisis on our hands. We are faced with a crisis in confidence. We are faced with a crisis in leadership in this country. I must say as a member of Parliament from the province of Ontario, as I speak to many people at my regularly held town hall meetings, that the election of the New Democratic government in the province of Ontario has not bestowed any confidence, particularly in the business sector and particularly among workers who thought they would have a government that was going to address the many inequities and injustices that have existed.

Mr. McCurdy: Mr. Speaker, one of the things that has always concerned me is the tendency for politicians to provide and too many to demand quick and easy answers.

What I said today I have said in one way or another since 1984 when I was first elected. I brought a different perspective to this House. I understood the importance before I came here of science and technology and research and development. I understood that when the Liberal Party held power before this government it had shown a notable lack of understanding of the importance of technology and research and development and consequently education in our future economic prospects.

This is not something about which to attach exclusive blame to the Liberal Party, because too many Canadians, too many politicians did not understand that. I thought that this government perhaps could be pushed, cajoled, urged, to understand that there would have to be some dramatic changes. I would have hoped that the Peterson government would have understood that it would have to make some dramatic changes. But the Peterson government did not in fact focus on those necessary structural changes of which his government should have been a part. At a time of great economic growth, however short that period might have been, there was the opportunity to make choices to provide narrowly directed stimuli in areas which would have helped the economy. But instead, in response to the same divergent and various political demands on the province, there was an expenditure of money in ways which were not focused on the long-term question of how one is going to accomplish economic structural change as was needed in Ontario and as was needed in the rest of the country.

• (1650)

Now, the consequences of the free trade agreement and federal policies with respect to the value of the dollar and the GST have created absolute economic chaos in this country and have caused the loss in Ontario of something like 350,000 jobs, 200,000 of them permanently through plant closures, when profit margins have gone to nothing, when people can hardly afford to pay their taxes, it makes it extremely difficult for any government to take on appropriate initiatives.

Mr. Rae has suggested this, and we agree, that the federal government and his government should, through matching funds, start an initiative on infrastructure and reconstruction in co-operation with the municipalities to inject into the economy immediately some money that will have a fivefold effect on the economy generally, to put some people back to work. We should begin immediately to do something about training and education.

I am as sorry as my colleague in the Liberal benches that the same kind of priority has not been given to training, either by governments, and maybe even to some degree the Ontario government, or industry, which has failed as well in what has needed to be done. I think it is tragic that there have not been sufficient resources provided to education generally and post-secondary education in particular. That is the result not only of governments but of Canadian attitudes as well, and those have to change.

I hope that in the coming months this government and the Ontario government and other governments in this country will agree on an approach to economic development and meeting the economic crisis in the short term that will be in the interests of Canadians. But I hope it will not be upon the recommendation of Mr. McKenna, to attack social programs such as medicare, which, as I said in my speech, are as necessary as anything else to ensure that our people will be able to take advantage of those training and educational opportunities that are necessary for economic growth.

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the motion of the hon. member for Willowdale asks this House to condemn the government for its economic policy. Instead, this House should be congratulating the government for responding with long-term policies to the economic challenges that this country faces. We must accept the challenge of helping the economy face the demands of a highly competitive global marketplace. Almost everyone who has talked in this House today has talked about a global competitive marketplace.

Hon. members opposite have many suggestions as to how we should spend money to help Canadians adjust to hard times. What they ignore are the reasons why we cannot spend money, why we cannot spend our way out of this current recession.

First of all, the country is in debt to the tune of over $400 billion. Hon. members opposite seem to think that it is all right to rack up these debts, although they will cripple the ability of future generations to manage this economy.

That brings me to the second reason why we should not take their advice and spend our way out of the recession. It has been tried before and it does not work. The Liberals tried to spend their way out of the recession in the early 1980s. The result was clear for all to see: we are left with an enormous debt that this government is trying to contain. At the same time, many Canadian companies failed to make the adjustments they needed in the early 1980s. They were propped up by government handouts, government bailouts, coddled by oil prices that were artificially low. We hid behind tariff barriers and did not need to improve our productivity to keep up with the rest of the world.

That seems to be the kind of economic policy that some hon. members in this House would like to implement again. It is a policy to spend the inheritance of our children and grandchildren, all in an effort to prevent Canadian industry from becoming world competitive.

I agree with many in this House who have said that in order to become competitive, we must improve in five areas. I particularly agree with the last speaker: learning, science and technology, investment, domestic markets, and trade. We have to do it in the right way. I would like to make some comments on how one department of this government is tackling those particular issues, both with resources and with the comments and the influence that we are able to bring to bear in the government as a whole. That department is of course my own: Industry, Science and Technology Canada.

In the area of learning, ISTC promotes the education of highly qualified scientists and engineers, management skills training, and raising the profile of science and technology as exciting career options. The Canada Scholarship Program—one instance—launched in 1988 with a five-year $80 million budget, recognizes and promotes the best students in science and technology right across this country and offers them scholarships to the tune of $2,000 a year for the four-year period. You will note that just last Friday in Peterborough the Prime Minister announced that this highly successful program would be extended through to 1996 and that start ing in 1993-94, the value of the scholarship would rise from $2,000 to $2,500 to ensure that it was maintained as a prestige scholarship. That means that over the four-year period, engineering students and others will receive $10,000 from the Government of Canada. That is a significant amount of money.

We also provide public awareness campaign funds to promote science and technology right across Canada. The initiative there has a particular focus on young people. We all know that we are not going to be able to work our way out of the recession we are in; we are not going to be able to compete in the world unless we have the scientists and the engineers to take us forward. What the Government of Canada can do, the Government of Canada is doing through the scholarship program, the public awareness programs and other things.

We have heard comments today about research and development. Some of the comments appear to indicate that people feel the Government of Canada is not spending enough money on research and development. If you look at the figures, and they are readily available, the Government of Canada spends as much and sometimes more than its competitors on research and development, as a government.

What is lacking in this country, and we know it, is that industry generally in Canada does not spend the money on R and D that our competitors do. Part of our whole policy must be to encourage that kind of R and D spending so industry can promote itself and become globally competitive. What we have done is to try to fill in some of the holes that exist. We know that we do not do well as a country on pre-competitive research. That is the research that is needed before you move into the product design area. That is why the $240 million networks of Centres of Excellence Program was initiated. That program is going very well indeed.

Interestingly enough, over the last two years we have had three major discoveries in the genetic area. Each of the three discoverers belongs to and is part of the genetic disease network funded by the networks of centres program. We have also launched the strategic technologies program, where we know there are horizontal technologies that this country must be aware of and must be active in: the biotechnologies, communication technologies, and the advanced industrial materials. We work with companies, with consortia to try to promote those concepts right across the country.

• (1700)

The Advanced Manufacturing Technology Applications Program is another instance where our department goes out to industry and says: "Do you know what technology you need? Can we help you find out what technology you need?" People go in and advise the company on what technologies are required. That, by the way, is a relatively modest cost program, but we have all kinds of people and all kinds of industry taking advantage of it.

My hon. friend across the way, who may not know much about the economy of the country from the motion that he has put forward here, certainly does understand IRAP, and that is a very good program. The Industrial Research Assistance Program of the National Research Council has been a leading light in this area. It is kind of an industry extension program and it works extraordinarily well. We are going to continue to support it in every way we possibly can. We particularly like the concept that the council has put forward of moving IRAP even more strongly into the regions of this country so everyone can share in the prosperity.

On trade of course we have External Affairs and International Trade. Those offices are often shared with a trade group in terms of ISTC, and that has worked out very well, because you have trade, you have the industry people and you have the science and technology people all working for one objective: the prosperity of Canadians.

The last example of ISTC I would like to give you is to look at the sector campaign initiatives that we have, the various industrial sectors ranging from automobiles to micro-electronics, forest products to the fashion apparel, advanced manufacturing technologies to emerging environmental industries. We help those industries begin to focus on their difficulties. Sometimes it is research and development that they need. Often it is technology inflow that is required. We are prepared to help in either way.

We also have some programs in the business centres that we run across the country. We try to provide one-stop shopping for our Canadian industry. If they come to our business centres, 11 of them across Canada, we then hook them up with the appropriate people in industry, in trade, in science and technology, and so on. As you know, we are working very actively in trying to promote trade across Canada that will help us be competitive in the rest of the world.

I know my time is running out. Let me conclude by saying that what we are trying to do is to design our programs to target and help industry as a whole. We are not trying to pick winners and losers. We are not throwing money at fading companies in a vain attempt to save jobs. That approach has been tried in this country over and over and it does not work. We cannot prop up individual companies. We can set long-term policies and we are: the free trade agreement, getting rid of the old manufacturers' sales tax. I know our colleagues on the other side do not like those policies, but they are the right policies for the long-term health of Canadian industry, and in their hearts they know that. They just do not want to admit it at the present time, but they will.

Our government has its eye on the long term. Is it not interesting that people always come up to you and say: "The trouble with you politicians is that you always think short term; you cannot think beyond four years?" This is a government that has never thought short term. It is a government that has always had its eye on the long-term competitive nature of Canada, and it is a government that will remain focused on the long term and the short term will be someone else's difficulty. We know where we want to go and it is the right way for this country.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I paid attention to what the minister had to say, but there are certain problems with the logic of his argument.

Here in Canada, as we stand in this Chamber, there are almost 400,000 young people who remain unemployed. We are indeed creating a generation of chronically unemployed young Canadians. The minister correctly addresses the point of his prosperity agenda and global competitiveness. But any report that his government or any institution or organization that is deeply concerned about global competitiveness will tell you that you need a skilled work force. Above and beyond that, they also point out that a youth employment policy is absolutely necessary for future prosperity.

Given those essential truths, I would like to ask the minister how he can, on the one hand, tell us that education and training are vital to our prosperity agenda and, on the other hand, as we have seen time and time again, there are cuts in those particular areas. Obviously there is a contradiction in terms, and unfortunately the people who will pay the price for this unbelievable government policy will be Canada's youth.

I would like the minister to address this particular point because young people approach me on it everywhere I go throughout Canada.

Mr. Winegard: Mr. Speaker, I am delighted to respond to that particular comment. I remind hon. members that it was this government which for the first time raised the whole issue of education and training to a level of discussion that this country had not seen before. It is this government that has placed significant funding and changed the focus of the unemployment insurance program to training, rather than simply paying people. It is this government that has focused on the high quality people that you need to work in the modern kind of industry that we are trying to build. It is this government that is bringing all of the players together for the first time to talk about what kind of long-term policy is needed in this country and whose responsibility it is to help keep young men and women in school so they do not drop out; whose responsibility it is to see that it is made easier for them to move into the community colleges, into the universities, to have training, trades training.

We have not had that kind of discussion in this country before. While I agree with the comments that conditions now are very difficult, at least give the government credit for moving this whole thing from almost a sort of subterranean talk up on to the front burner where we can all address the problem.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I do not know whether I should laugh or cry, but probably I should do both at the same time. The minister must have read the report of the Natural Science and Engineering Research Council of Canada. At page 8 of that report it says clearly: "Canadian expenditures on research and development over the last 15 years show a decline, followed by a recovery to the 1971 level, and virtually no growth in real expenditure over the last five years".

Who is the minister kidding when he says that research and development has been a priority of the government?

If there has been a true commitment to education, why have we seen cut after cut on an annual basis in transfer payments for education to the provinces?

On top of that, if the minister is right in what he is saying, why did we not put in some sort of a requirement that money the federal government put toward education and gave to the provinces for education should be really going toward education and not toward roads or social services or other programs?

I cannot for the life of me sit back and watch the minister make those statements and the public at large hearing the minister make those statements and saying: "Well, look, we have all of the fundamentals in place". The reality is that we do not have the fundamentals in place. Interest rates are still high. The dollar is still extremely high and we cannot compete internationally with this kind of monetary policy. Our investment in research and development is not there and our investment in education is not there either. If the minister is telling me that the industry is not investing in research and development, what is he doing about it, in order to make sure our industry is investing in research and development?

• (1710)

Mr. Winegard: Mr. Speaker, I must say I am absolutely delighted to respond to the question on Established Programs Financing. It is very clear to anyone who studies this subject that Government of Canada funding has not been used for post-secondary education; it has been used by the provinces for other purposes.

The hon. member asks why we do not do something about it. Once the decision was made in 1977 to go the route we are now going, no government could intercede and no government can change the way EPF funding is transferred because control was lost entirely, absolutely, over that EPF funding. If you look at the figures provided by the Association of Universities and Colleges of Canada or the Canadian Association of University Teachers, they will show you that the Government of Canada is still funding on average almost 70 per cent of the government costs of post-secondary education and there is no way, sir, that you can really avoid this.

Let me come to some of his other comments about the funding for research. The funding he is talking about does not include the funding for the network of centres of excellence. It does not include the funding for the environmental sciences. It does not include the funding for technology for solutions.

Mr. Dingwall: Mr. Speaker, on a point of order. I have been listening attentively to the hon. minister opposite who has great experience and has distinguished himself as an educator prior to coming to this particular Parliament. He has made a major statement on the floor of the House indicating that money going to the provincial governments is not being used for post-secondary education.

I wonder if the minister would table in the House the figures substantiating his claim. How much money is each province spending for education in terms of the money they receive from the Government of Canada? It would be nice if the minister would provide that information to the House so we could fully understand what provincial governments, as he says, are doing with the money they receive under the block funding. It was a request made of the government of the day by the first ministers, led by none other than the premier of the province of Alberta, the Hon. Peter Lougheed.

Mr. Winegard: Mr. Speaker, I did not attempt to say it was not a good deal for the provinces. Of course it was a good deal for the provinces because they had the funding and could do whatever they wanted with it.

An hon. member: Are you going to table it?

Mr. Winegard: I would certainly be happy, sir, to get the hon. member opposite the figures for the amount of funding that is now provided by the Government of Canada in terms of the total government funding going to post-secondary education.

Mr. Dingwall: On a point of order. Mr. Speaker, I am not very articulate, but let it be said very clearly so that I can specify for the hon. minister opposite. What he said in the House is that provincial governments in receipt of federal dollars are not spending it on post-secondary education. Those are the figures that we on this side of the House would ask the hon. minister, a distinguished person in post-secondary education himself, to provide to the House forthwith.

Mr. Winegard: Mr. Speaker, we will be absolutely delighted to provide that kind of information. It is readily available.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I want to compliment the Minister for Science on two things that he noted in his speech. First was the credit he paid to our critic of industry and trade, the member for Willowdale who has structured the Opposition Day today and the kind words that he said on behalf of our member for Willowdale. I want to thank the minister very much.

The other comment I would like to make follows up on the point of order that our House leader just raised with respect to the amount of money that is being spent—as I gather from what was said—outside the jurisdiction of what was originally intended to be spent within the provinces. That would be valuable information as we try to get through this terrible dilemma of finding ways to get out of this economic recession that all Canadians find themselves in.

I want to address this problem from the perspective of the area I represent, northern Ontario, an area that we at all times feel receives far too little attention from the government of the day. I appreciate this opportunity to make my comments.

The Ontario economy is probably the greatest challenge in Canada today. Ontario is often referred to as the engine that drives the national economy. The engine has ground to a halt and nowhere on the other side of the House do we see the leadership that we so desperately need if we are to get this economy back on its feet.

In my own riding of Thunder Bay—Nipigon, just this past week there was another blow to a vital industry with the announcement that the Domtar paper mill will be closing down in May and 400 additional people will be thrown out of work.

As we review the economy of northwestern Ontario, indeed the whole economy of Canada, almost weekly we see in local newspapers in the north descriptions of plant closures, descriptions of government assisted programs with respect to unemployment, the sawmill closures because of the export tax, the terrible bankruptcies of small businesses and the endless litany of despair and the waste of human resources that all of these unfortunate economic matters control in this country.

It is tremendously sad at this particular time in the heart of winter. It is a depressing commentary on the state of our region, our province and our country. We ask ourselves how we got into this mess. How did we get here and where do we go from here?

From this point on I want to take a little different tack. I want to talk about where we are and where this country can go. We have had enough talk about doom and gloom. We should assure all Canadians that we do have hope. We have hope because Canadians are a resilient people. Canadians are an industrious people and Canadians are extremely capable.

If it were not for the qualities that I have just mentioned in all Canadian workers, Canada would be in far worse shape today than we see it. The Canadian people themselves will bring us out of this recession. It will not be the government across the floor that will bring us out of the recession. It certainly will not be the government that represents the province of Ontario that in its short history, 18 months, has truly lost its way. We doubt on this side of the House whether the NDP government in Ontario can ever find its way to bring back the economy of Ontario and because Ontario is the spark plug of the economy of Canada, ever getting it back to where it once was.

The only people who can bring us out of the recession is the Liberal Party. We need a Liberal government in Canada to lead us out of this terrible economic recession that we find ourselves in.

For some reason we try to avoid the issue that Canada is truly a resource based country.

• (1720)

It is a little known fact that beyond the 25 square miles of Ottawa is the reality of the rest of Canada. The reality is that the forestry industry is the largest single industry in Canada.

It is larger than any other industry that we have. It is larger than the automobile industry, any of the petroleum sectors, mining and manufacturing.

Forestry in Canada today provides employment to 8 per cent of the Canadian labour force. It supported almost 900,000 forestry, manufacturing and service jobs until recently. One out of seven manufacturing dollars in Canada is related directly to the forestry industry. This industry contributes more than $17 billion to Canada's net trade balance and exceeds the net trade balance from agriculture, fisheries and mining combined.

Forestry accounts for close to $2.5 billion in trade within our country alone. The policy of this government does not reflect the importance of this industry to over 300 communities in Canada that are dependent upon forestry as their sole means of survival. Several of those communities are in my own riding.

It does not reflect this industry's contribution to the national economy in its treatment toward more than 30 single industry towns in northern Ontario alone which are reliant on the 17 pulp and paper mills and over 375 sawmills throughout our region.

Perhaps this government is ashamed of the fact that Canada has a resource based economy. Until that fact changes, which is not likely in this session, it better start focusing on the engines of our economy that are so vital to our future.

Let me just say that we on this side of the House are not going to get up here and chastize the government without giving alternatives as to how we think this economy in Canada should be started.

Let me quote from a release today by our leader: "This plan is not without cost, but the cost of an action of washing your hands of this suffering as the government is doing is far greater than what this government is performing. We are levelling with the Canadian people, telling them where the funding would come from, unlike the NDP and the Reform Party that offer simplistic and irresponsible quick fixes to our economy".

In the one-year emergency economic plan we have proposed is the 5 per cent down payment for first-time home buyers which was implemented last week after much urging from this side of the House and is now in place.

We also want to use the $7,500 RRSP contributions for first-time home buyers. That will also add to the quick start the housing industry throughout all of Canada needs. When the housing industry prospers, the softwood lumber industry also prospers. It is essential for the lumber industries of every region of this country.

We have a plan in place that is called shared cost infrastructure improvement. Every community in this country realizes that it has vital infrastructure responsibilities that most municipalities in this country cannot afford.

As a case in point, we have in our area—we heard about the Great Lakes clean-up system today—the need for a secondary treatment plant. This is a $60 million or $70 million project. This infrastructure plan would assist all communities in this country. It is an infrastructure plan that would be financed by the federal, provincial, and municipal governments and would go a long way not only in our community but in every community in this country.

Thank you, Mr. Speaker, for allowing me the opportunity to make those comments on the economy of Ontario.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I listened with a great deal of interest during my hon. friend's comments and I thought they were very instructive.

I just have two questions. During its term of office in Ontario the Liberal government did a great deal for employment of public servants by increasing the number of public servants in Ontario by some 9,000 employees from 1985 through to 1990.

I was wondering if it would be part of a policy of the federal Liberal Party, if it were ever to face the electorate, to increase the levels of the federal Public Service back to the levels they were in 1984, given that during our mandate we have reduced the rolls of the Public Service by some 12,000 people. I just wonder if that is one of my hon. friend's alternatives.

The other matter is that during the terrible recession of 1981–82, in which my hon. friend from Willowdale participated and who actually framed the motion here today, he was part of the government that dumped the infrastructure contribution that the federal government used to make. Now my hon. friend and the Liberal Party are revisiting policies of the 1980s which they abandoned.

We appreciate that most of the Liberal Party policy these days, with its leader, is back in the 1960s. This infrastructure suggestion that my hon. friend makes was dumped in the terrible recession of 1981–82 and my hon. friend from Willowdale assisted. Are we going to bring back the infrastructure contribution that was dumped by the Liberals in 1981–82? Is that my hon. friend's suggestion?

Mr. Comuzzi: Mr. Speaker, I thank my friend opposite for those very incisive questions. I hope he realizes that during the years to which he refers I was not in this House nor in the provincial Government of Ontario. But I will try to take the two questions that he has posed and relate them as we go into the 21st century, 1990 and 1991.

What we are experiencing today is something that this country has never experienced before. This is the first time that we do not have the wherewithal and the resources within our country to come out of the recession that we find ourselves in today.

We have a deficit today that we cannot seem to contain at less than $30 billion, $31 billion or $32 billion, as we are told this year. We have a debt that since 1984, when my hon. friend's government took office, has increased from approximately $160 billion a year to something now like $420 billion.

Mr. Foster: Billions?

Mr. Comuzzi: Billions. Yes, that is with a *B* and not an *M.* It is billion dollars.

What that means simply is that for the first time in our history we spend 36 cents to 37 cents of every dollar we bring in in tax dollars and it does not buy one hospital bed.

Thirty-seven cents does not buy one school classroom space for any child in this country. It does not buy one meal in our food lines in this country. It does not buy one road. It does not provide infrastructure for any of the small communities within this country. It buys absolutely nothing. That 37 cents of every tax dollar we collect buys absolutely nothing. It goes to pay interest.

Given that horrendous problem, there is very little that we can do in this House in order to get out of this recession other than to use the things that we already have and own within this country. Things that I mentioned last week, like using fine paper made only by Canadian mills. Use those facilities that Canadians have already bought and paid for, for example the St. Lawrence Seaway, and maybe suspend tolls for a year in order to get that viable waterway working again.

• (1730)

There are so many other areas and I can see time does not allow me, but I thank my friend for those questions and I hope that I have been able to answer them to his satisfaction.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, first of all I want to commend my colleague from Willowdale for coming forward with a resolution at this particular point in time.

It is a very constructive resolution. The people of Canada are focused on what this government is going to do, or more precisely what it is not doing, to try to assist Canadians who have been driven straight over the brink, many into bankruptcy, most into a period of uncertainty in their lives by this government's economic policies.

Most days I think people watch and they might think that not much of what we do in here has a great deal of relevancy. But today we have an opportunity because of this extremely well-worded motion to come in here and to talk about the Mulroney government record, the Tory record, and where it has got us to date.

Before I start, I want to tell you that this morning when I got on the plane in Halifax there were two members of the Newfoundland provincial legislature flying up here to Ottawa. They were not coming here because they thought the weather was going to be better. They knew they would get more hot air certainly than they were going to get down in Newfoundland, but the reason was because of the state of the fishery in Newfoundland.

As my colleague from Newfoundland at Question Period today clearly said the fisheries in Canada is a federal responsibility. It is not a municipal responsibility. It is not a provincial responsibility. It is a federal responsibility.

We have seen in the last few years, particularly since the last election, this government go in with the primary resource industry in Newfoundland which is the fisheries and the national resource, a renewable resource when it is properly managed, and because of the actions of this government cozying up to the Europeans, it gives away our fishstocks. It does not listen to the evidence of the scientists at the Bedford Institute of Oceanography and other places. It has completely mismanaged a resource industry that is responsible in Atlantic Canada for over 100,000 jobs. It is bigger than the auto industry in Ontario.

We are down in Atlantic Canada with an economy that at the best of times is just pulling its butt out of a recession. We are the first to go into a recession; we are the last to come out. Here we have a renewable resource industry in Atlantic Canada, the fisheries. It is like these guys have gone from the frying pan into the fire in the fisheries.

We have a Minister of Fisheries and Oceans from St. John's, Newfoundland. He took over and some even on this side said: "Well, you know he is a hometown boy; maybe he will be able to look after the interests of the Newfoundland fisheries, the Atlantic fishermen, and the fish plant workers a little better than the other guys from the other coast have been doing". Well, boy, were we ever fooled.

Friday in Newfoundland, a province that has an official unemployment rate of over 18 per cent, there were 1,000 fish plant workers laid off in a place called Catalina. At the best part of the fishing season 1,000 people were laid off. What is it going to be like in a few months down the road when they would normally be facing less fish to process through their plants?

I was also told on the plane today that because of this government's action and neglect in the fisheries industry, an industry that in good years would be worth over $750 million to that battered economy in Newfoundland, it has been reduced by more than 50 per cent in the net revenue impact on Newfoundland. This is because of this government's economic disaster plan that it has foisted upon the good souls in the province of Newfoundland and Labrador. That is what it has done.

I watched on television one of the Tory ministers getting up and saying: "Well, things are looking better. The rate of bankruptcies is slowing".

Tell the 60,000 men and women in Canada who in the last 12 months have been forced to declare personal bankruptcy or who have lost their small unincorporated business that things are going to get better. Tell that to the 17,000-plus businesses in Canada many of which were passed down from generation to generation. Tell them: "Don't worry". The members opposite say: "You know, it is going to get better". This is after they have lost a lifetime of earning and investment and asset building.

Last Monday, the devastating bankruptcy figures came out, and they are devastating, and the minister just talked about the 1981-82 recession. I should read the comments of the superintendent of bankruptcy. What he said, if you are listening, is that this recession is much worse than the 1981-82 recession and takes the form of a depression in some sectors of the economy.

What do the members opposite say? They tell you not to worry, that things are going to get better and that economic indicators are looking up. What about the thousands of people who have lost their jobs in the forestry industry? My colleague for Restigouche—Chaleur has lost well over 1,000 jobs in his riding.

An hon. member: Yes.

Mr. MacDonald (Dartmouth): Yes, well over 1,000 direct jobs. Those guys opposite twiddle their thumbs, and the carnage that has been left from one end of this country to the other. I do not know what in the name of goodness they want to do with the economy.

The government is taking the livelihoods and the futures of Canadians and it is flushing them down the toilet. It has no concept about how to get out of the recession it pushed us into.

They talk about interest rates. They say: "Have a look at the interest rates". I remember, and this will haunt many of the Tory members opposite during the next election campaign, it was this very government that pushed the interest rates through the ceiling. It was trying to cool inflation. It was trying to keep inflation down in Ontario because growth was running rampant in Ontario. What it did is it overmedicated and killed the patient. The patient is the Canadian economy.

Now that it got the interest rates down to an acceptable level nobody has any confidence left in the economy. They certainly lost all confidence in the government opposite. Even with the lower interest rates that we finally have the carnage is so severe that the economy is not picking itself up.

Economically, the casualties are all over the place. Businesses are not borrowing. There is a report which came out last week. People in the manufacturing sector were asked: "How do you think things are going to go?" They said: "We do not have a great deal of faith that things are going to get better quickly". What this government has done is it has taken an economy that was expanding during the periods of 1986 to 1989, mismanaged it and drove it into recession and some of it into a depression.

This government talks about how things are going to get better. People out there watching right now who have lost their jobs in the manufacturing sector and who have seen the plant, machines and all, truck south of the border to Buffalo—shuffle off to Buffalo—do not think there will be any great future for them.

Because of this government's free trade deal, because of its high interest rate policy, because of its ridiculously high dollar policy, what it has done is that it has lost the jobs those people were trained for. Yes, this government has done a great deal to improve economic performance and create wealth. Unfortunately it is not in this country.

It has created a great deal of wealth with the Portuguese, the Spanish, and the French fleets for stealing our fish in Atlantic Canada. It will not lift its finger to stop it. It is throwing thousands of fish plant workers out of work.

This government has created all kinds of wealth in the border states. There has been a boom in the manufacturing business there because companies have left southwestern Ontario for good. It has done a great job. This is stimulating an economy, but it ain't ours and that's the problem.

We have to look at all of the things that are happening. Look at what the government does to healthy industries in Canada, like the oil and gas industry, and haven't we had some wonderful economic news out of that sector. That has just been peachy. Over 10,000 individuals some of whom are sole proprietorships in small gas stations across Canada will lose their jobs because there are over 2,500 stations closing.

In the shipbuilding industry it gives a contract to HTIL in my riding for the coastal patrol vessels. It is now floating the rumour that it is going to cancel it and jeopardize 1,200 jobs. Regarding the Dartmouth marine slips in my riding, part of that little cozy back room deal, it was going to rationalize it and throw 187 people out of work.

• (1740)

The Imperial Oil refinery in Dartmouth employs over $350 people. It probably will not be able to survive in this recession battered economy and it is looking to the workers to effect 30 per cent greater efficiency without any investment.

These people over here do not care about jobs at all. They have completely lost direction and that is why this motion that is put forward today is very appropriate. I join with my colleagues here and with over 20 million Canadians in condemning this government's economic policies.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, my hon. friend talked about interest rates going through the ceiling. Given that during the 1981–82 recession interest rates hit 22 per cent, I wonder if my hon. friend could compare that with where interest rates went in the last couple of years.

Mr. MacDonald (Dartmouth): Mr. Speaker, these guys opposite like to play a numbers game.

We are dealing with a recession second only to the depression in Canada. The best that they can do to answer for their own policies is to try and dip back into the recession that was around in 1981–82 which was a world-wide recession.

We did not have free trade then, and I want to speak to this issue. These guys get away with this all too often. In 1981–82 we had a recession in this country. Because of Liberal policies and Liberal programs, we did not throw people out on the scrap heap. We did not do that, and the minister should know that.

It costs money and it is added to the deficit, but we in the Liberal Party believe in investing in people. When that recession was ravaging this land, we were not up on our hind legs, like some members opposite, baying at the moon and blaming it on somebody else. We recognized that we had a responsibility to put Canadians back to work.

My colleague from Broadview—Greenwood talked about the NEED program. We took $400,000 and we invested in people. We gave them their integrity back. We gave them some confidence that they had a government that cared about their future.

He talks about speaking in a normal tone of voice. My voice may be raised, but it is because there are thousands of workers in my riding who have become the victims of this government's kamikaze economic policies. It may be fine for us to be up here in our ivory tower, like the minister is most days, and talk about what it was like in 1936. I do not know what it was like.

What I know is that the casualties are real. They are out there in the community and this government is completely bankrupt of any ideas. If Canadians had their druthers, they would kick these guys out. They would kick them out today and they would put a party in that understands what it means to govern this country and understands what it means to have trust. It would be a Liberal government.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I have listened to my friend with great interest.

He does not think that the current recession is a world-wide recession even though conveniently the 1981–82 recession according to him was. I would agree with him on that point.

Does he not feel that the United States, Australia and other western countries are in a recession today? He says that in 1981–82 the Liberal government did not throw people on the scrap heap. Perhaps it did not. What it did was borrow money so that people are threatened with the scrap heap today.

Would the hon. member not acknowledge that the expenditures, the attention and the care given to training and retraining programs today are infinitely better than in 1981–82 when money was simply borrowed in order to postpone the inevitable restructuring of Canadian industry?

Mr. MacDonald (Dartmouth): Mr. Speaker, it is interesting for this member to talk about what we are going to do.

I will give my personal opinion. My opinion is that an expenditure of $1 billion, as proposed by the leader of my party, to go and work at municipal infrastructure to put people back to work is a wise investment.

If momentarily or for a year or forever the deficit goes up by $1 billion, I am prepared to take any flack that will come for it.

It is fine for your friends on Bay Street in Toronto to talk about the deficit. They do not have to worry about putting bread and butter on their tables. They do not have to worry about whether they have enough money to feed their children nutritious food.

There are over 1 million Canadians currently going to food banks. There are over 1.5 million Canadians unemployed. The government asks: "Would you add to the deficit?" If it means putting this country back to work, we would invest in people. If it means reinstilling consumer confidence that things are going to get better, yes we would.

I would also say to the member that one of the things we would not do with very limited resources is what this government did. It spent hundreds of millions of dollars in the last three months when our economy was in recession trying to buy provincial elections in western Canada with projects that even in the scientific community, and he knows the one of which I speak, were questionable.

The government can find the money, $250 million here and $300 million there, when its Tory friends are in trouble. When Canadians need help it comes up with this straw dog called the deficit.

Would the Liberal Party be different? It would be a heck of a lot different. People would know that they had a future because we would invest in it.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I found that an interesting exchange. I would invite my hon. friend to some day visit Alberta and see whether even those in food lines and going to food banks are not concerned about the deficit. They know where today's debt came from and they will never forgive those who created it prior to 1984.

When the hon. member for Willowdale criticizes the government for its economic policy, I wonder if he has taken into account the government's efforts to improve Canada's competitiveness in the international marketplace. If he considered this government's success over the past eight years in encouraging business to trade more and trade smarter, he would not condemn its economic policy; he would congratulate it.

Canada is 31st in the world in terms of population, and yet we have the world's seventh largest economy. Over the past 30 years Canada has achieved the second highest rate of growth among the G–7 nations and the seventh fastest in the OECD nations. We have enjoyed the second highest rate of investment growth among the G–7 nations in the last 30 years and the highest rate of job creation within the OECD.

Much of that prosperity has been based on trade. We earn 25 per cent of our output from trade, and that is two and one–half times the comparable figure for the United States. It is one and one–half times the figure for Japan. Among the G–7 countries, only in Germany does trade account for a larger proportion of GDP than Canada's.

Since 1984 the government's agenda for economic renewal has guided the economic policy aimed at helping Canada maintain its position as one of the world's great trading nations. The agenda consists of a number of wide ranging strategies which, taken together, help create the environment in which business can grow and prosper.

Deficit control has been a major part of the agenda. Government operations now run well in the black. Only the interest on the national debt contributes to the deficit now. It can be truthfully said that this government of which I am proud to be a member has not contributed one nickel to the national debt since 1984.

The agenda for economic renewal has also included privatization of 20 Crown corporations and the down–sizing of the Public Service. There are some 90,000 fewer employees on the public payroll now than there were in 1984. The agenda includes regulatory reform, including major changes to the regulations governing the transportation, energy and communications industries. Since 1986 the government's regulatory reform strategy has ensured that business is a partner in creating the regulations that will affect it.

The agenda for economic renewal also includes modernizing and streamlining Canada's intellectual property laws, establishing Investment Canada, which encourages foreign investment that will be of net benefit to Canada, and reforming our tax system, including the elimination of the federal sales tax on manufacturing.

Perhaps one of the best known elements of the agenda for economic renewal has been the implementation of measures to open international markets for Canadian business. Canada's number one trade priority is a successful conclusion of the Uruguay round of multilateral trade negotiations, the largest and the most complex ever undertaken by the GATT.

• (1750)

The agenda also included the free trade agreement with the United States and is now expanding its horizons to include a possible North American free trade agreement. The combined North American market will consist of 360 million people, with an economic product of $7 trillion. That is bigger than Europe. As with the FTA, this market will allow us to achieve new economies of scale and specialization.

The free trade agreement has helped Canada's trade position. Since the FTA was implemented, Canada's trade surplus with the U.S. jumped from $11.4 billion to $17.3 billion, a rise of almost 50 per cent. In the last three years the value of all Canadian exports to the U.S. has increased by almost $8 billion.

The FTA has also had an impact on investment from abroad. In 1988, just before the implementation of the FTA, Canada had a direct investment outflow of $2.4 billion. In 1990 we recorded a net inflow of $5.1 billion. That was the first time in more than 16 years that Canada enjoyed an inflow of net direct investment.

Taken together, the measures of the government's agenda for economic renewal have provided for an environment in which the private sector can be the engine of growth in the Canadian economy.

Canadians must do more to take advantage of the opportunities for growth. In particular, Canadian business must capitalize on the growing importance of international trade. Earlier I mentioned how important trade was to the Canadian economy. Only about 100 companies account for half of our exports. Only 32 per cent of Canada's manufacturing firms export at all, in spite of the unsurpassed opportunities presented by the free trade agreement.

Only about 13 per cent of Canadian-owned manufacturers are exporters. Small and medium-sized firms account for less than 7 per cent of our exports. The challenge is to get more companies to trade. At the same time, we must recognize that international business is no longer merely the export of goods. More and more, international business is measured by the growing volume and variety of services. It is measured in investment, both inward and outward. It is also measured in the ability to attract, to develop and to employ new technology. Above all, international business today is characterized by the growth of strategic alliances and partnerships.

The government recognizes these new realities. One can see how this government has responded when one observes how the role of our trade commissioners abroad has changed to meet the new demands. Back when the party of the hon. member for Willowdale was in office, the trade commissioners were primarily concerned with developing markets for Canadian goods. Today that is only part of their job. They must deal with market access issues, they must provide market intelligence that is increasingly sophisticated. They promote investment in Canada and they play a key role in helping companies acquire technology and find partners for strategic alliances. They help companies enter strategic alliances, joint ventures and subsupplier agreements with foreign companies, to share a technology or to build a market share.

Outward investment through acquisition or the formation of joint venture companies, back-to-back deals offering exchanges of market expertise, and access to technology have become part of export strategy.

Canada's trade commissioners are important players in helping to build these collaborations, and their changing role demonstrates the changing realities of international trade. The government has been quick to respond to those realities. The government has created a number of programs to help build a trade culture in Canada, to help Canadians obtain the information they need to open markets for their goods and services, and to help business acquire the technology it needs to tap export markets.

In the area of building a trade culture, the government helps sponsor seven centres for international business studies at universities across Canada. In addition, there is a trade policy and law project jointly undertaken with Carleton University and the University of Ottawa. The government sponsors the annual Canada International Trade Month and the Canada Export Award Program. It publishes and distributes a wide range of trade publications.

The government has also introduced services to introduce new exporters or potential exporters to the American market and to markets in Europe.

One such service is called NEBS: New Exporters to Border States. Its objective is to provide assistance to Canadian companies hoping to export to the United States for the first time. NEBS specializes in helping to crack the northern states. A similar program called NEXOS has been custom designed for companies hoping to sell to the southern United States. Finally the NEXOS program encourages companies to pursue the dynamic markets of western Europe.

The most popular program of all has been the program for Export Market Development known as PEMD. This program helps Canadian business to develop, increase and sustain activities by sharing with them specific export marketing efforts. The program encourages businesses that have not exported previously to begin export marketing, and it encourages established exporters to expand their activities in the new markets.

PEMD provides assistance with some of the costs incurred by a company in its exploration of new markets. These contributions are repayable if sales are made to those markets.

There has been such a heavy demand for PEMD assistance that last November it became fully committed. The House will be well aware that funding for PEMD has now been increased, allowing market identification trips and participation in trade fairs to continue for the balance of this fiscal year.

The need to increase PEMD's funding for the remaining weeks of the fiscal year is a sign of its success. We can ask the business men and women who have used this program and others like this program to score export sales whether they agree with the motion of the hon. member for Willowdale.

The business community values these programs. It knows that the government has done an excellent job in helping Canadian business to respond to the challenge of the global marketplace.

As an indication of how these programs are appreciated by Canadian business, I would remind the House that the Conference Board of Canada found that 88 per cent of the businesses it surveyed had used some kind of government export assistance.

The Institute for Research in Public Policy confirmed that 85 per cent of the small businesses it had canvassed had been helped by the government's programs to develop our international trade.

That is a vote of confidence in the programs this government has introduced. It is a vote of confidence by the business community in this government's economic policy. I maintain that the House should demonstrate its confidence in that policy and vote down the motion by the member for Willowdale.

Mr. Maurice Foster (Algoma): Mr. Speaker, I was very interested in the comments by the hon. member from Alberta, but it seems to me that he has really glossed over the tremendous downturn that we have seen in almost every sector of Canadian manufacturing in the past three years.

Clearly the interest rates that the government has had have been very high. In many cases they have run as much as 7 per cent to 8 per cent above those of the United States. Certainly in the summer of 1990 that was the case. They have not only brought on a very violent recession in this country, the worst that most Canadians can remember certainly since the 1930s, but our exports have been devastated. It does not matter much whether we talk about softwood lumber where we had the export tax of 15 per cent on top of a dollar that had appreciated from 75 cents to 86 cents or 87 cents. The impact of all of those programs designed for exports the hon. member has talked about is totally negated by the incapacity of Canadian manufacturers to cope and compete with American industry, whether it is in the steel sector or in forestry products or in mining or whatever. We are paying 5 or 6 per cent higher interest rates and we are climbing up over that higher Canadian dollar. The softwood lumber industry saw the 15 per cent export tax as a major problem to overcome. Likewise with the higher dollar its competitive position was reduced not just by 15 per cent but probably closer to 30 per cent.

• (1800)

The Acting Speaker (Mr. DeBlois): It being six o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 81(17) proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EDUCATION

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, on October 23, 1991, I asked the Minister of Finance why his government was shirking its obligations in the area of education. As you know, Mr. Speaker, 30 per cent of Canadian students, nationally, drop out of high school, and the percentage is as high as 70 per cent in some regions. The Prime Minister keeps telling us that getting a good education is so important, while his government is slashing mercilessly education and training budgets, which were cut by 7.6 per cent last year.

[*English*]

Although the federal government supports education in a number of ways, since 1986 it has continually reduced its contributions to post-secondary education.

By 1994 the federal government will have slashed $9.5 billion in transfer payments to the provinces. In last February's budget it cut spending on education by $485 million. Obviously the government's lack of commitment to education will have dire consequences for our country if no solutions are devised.

Foremost among problems related to education is that of illiteracy. Without a population having adequate reading and writing skills, Canada risks losing its competitive edge internationally in the long run. The costs of this problem are staggering. A 1988 report by the Canadian business task force estimated that the direct cost of illiteracy to business each year to be about $4 billion and the total cost to society to be about $10 billion. What has the government done to resolve this problem? Little, save to impose a 7 per cent tax on reading materials, a direct blow to the literacy movement.

Another point I would like to touch on is that of accessibility to education. Obviously this factor has been one of the lowest priorities of the federal government. In fact the maximum level for the Canadian Student Loans Program has not risen since 1984. Moreover, the inequality of opportunity for young Canadians will be exacerbated by three measures recently announced by the federal government.

The first is a 3 per cent administrative fee on student loans which effectively taxes those who can least afford it. Interesting. Those who do not have to borrow will not be taxed but the larger the loan, that is the greater the need, the greater the tax.

Second, the goods and services tax will apply to books and other learning resources, to clothes and to a number of other supplies required by students.

Third, recent cuts to the Summer Employment Experience Program have diminished students' ability to support themselves through their educational career.

Spending on education, research and development are investments in the future. In the long run a properly educated populace, a training system that operates with efficiency, sensitivity and responsiveness to labour market needs, and increased research and development will only increase the wealth of our country and opportunities for further social development.

Finally I must urge the Conservative government to put its money where its mouth is and to provide the resources needed by our educational system to help our country achieve its full potential.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, you will understand that I do not agree with what the hon. member said and I think that if you could speak on it, you would not agree either. He says that the government does not support education. This government did more for education in 1984 than the party which my colleague represents did when it governed in the years before that.

The government spends $11 billion a year on education. The only point on which I agree with the hon. member is that the results are not great. I agree with that. If you compare with other countries, he is right. In Canada, most young people who could go to university do not, and that is unfortunate.

That does not mean we should spend more money; it means that we should reallocate our resources so that young Canadians receive academic training. Even if we spent $2 billion more, if young people do not want to get an education money will not make them do so.

I would like to point out that in 1991–92 we are spending $5.7 billion on education not including unemployment insurance funds which amount to $1.8 billion in 1992, up from $1.4 billion in 1991. Nor does it include another program on which we spent $2.3 billion in 1990–91 and will spend $3.1 billion in 1991–92. You will understand, Mr. Speaker, that enough money is there for young Canadians to receive the education to which they are entitled. But it is necessary—

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Maurice Foster (Algoma): Mr. Speaker, on February 5, I put a question to the Prime Minister about the very serious concern of Canadian farmers in the supply management sectors of dairy, poultry and egg production.

There are serious implications for Canadian producers with the proposals put forward by Arthur Dunkel, Secretary-General of the GATT negotiations, involving almost 95,000 jobs in that industry of not only the 38,000 farmers themselves but 22,000 people who work on farms, as well as the many thousands who work in the food processing industry relating to dairy, egg and poultry production.

I asked the Prime Minister if he was willing to meet with the heads of state of the five other countries which support Canada's position for a strengthened and clarified article IX in the GATT negotiations and to prepare a joint declaration, not just of the ambassadors but of the heads of government, saying that our bottom line is to maintain article XI, to strengthen it and to clarify it so that it applies not only to raw fresh farm products but to those commodities that include more than 50 per cent.

I suggested this because it seems to me that if it is a joint declaration by the heads of government of Japan, Israel, Norway, Switzerland, Korea and Canada then the rest of the countries in the GATT negotiations will know that this is the bottom line, that we are serious, and that we are determined to secure our position to maintain a strengthened and clarified article XI which is absolutely essential to the supply managed sectors in the Canadian agricultural industry.

In the second question I asked if the Prime Minister would meet with the President of the United States and President Delors of the European community in order to secure their support for our position.

Fortunately the House of Commons a day or two after that accepted a resolution on which I put forward a subamendment which read: "This House calls upon the Prime Minister to involve himself personally in the GATT negotiations in the interests of Canada's diary, egg, and poultry producers by meeting with the President of the United States and the President of the European community in order to secure their support and do so in co-operation with the other countries that agree with Canada's position for a strengthened and clarified GATT article XI".

• (1810)

It is not only a question that I put to the Prime Minister in the House of Commons, it is a resolution unanimously accepted by the House of Commons calling on the Prime Minister to become personally involved in these negotiations, take action, and get a joint resolution from the countries that support our position. This resolution should not be from the countries' individual ambassadors, but from the heads of government of those states. The Prime Minister should then meet with the two Presidents from the United States and the European community to secure their support.

It would be impossible to describe the economic carnage if the Government of Canada, and specifically the Prime Minister, does not put its shoulder to the wheel and ensure that we get that support in the final weeks of the negotiations of the Uruguay round of the GATT agreement.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am very pleased to have the opportunity to set the record straight on the government's long-standing commitment to support Canada's agrifood industry at the GATT negotiations. Canada like other countries has accepted the Dunkel tax as a basis for those negotiations, and I say has accepted them as a basis for those negotiations.

To our disappointment, the proposal does not call for the strengthening and clarification of article XI. That is the section of the GATT agreement that provides for the control of imports and for us to manage our products much better. As I said a minute ago, the Dunkel paper is the basis for negotiations and nothing more. It is not a final agreement. I want to make sure we all understand that.

Canada is continuing to fight for the clarification and strengthening of article XI as the negotiations progress. We remain committed to a stronger article XI and have been from the beginning of the trade talks. The Prime Minister has raised this issue at the highest levels with the heads of government of the major trading nations. I have explained Canada's position and the determination directly to United States Agriculture Secretary, Ed Madigan and EC Commissioner Ray McSharry. In the meantime Canada's negotiators in Geneva continue to press the case with countries that support our stand and those that do not. It is very important we make sure we have that consultative process with all of those people.

Our position today is the same as it has always been. It is one that was agreed to by all the stakeholders in the agricultural industry, and we will continue to defend that balanced Canadian position.

ATLANTIC ECONOMY

Mr. Ron MacDonald (Dartmouth): On October 23, I rose in the House to ask a question of the Minister of Finance. The question I asked dealt specifically with reduced payments under the equalization program to the Atlantic provinces. At that point those reduced payments amounted to over $170 million. Keep in mind this was a time of great recession when the Atlantic provinces, which are traditionally the least well off provinces of the country, were grappling with reduced revenues coming in and increasing expenditures. There were increasing expenditures because the government decided not to fund various cost shared programs at the same level with the provincial governments.

This came at the very time when more and more Canadians in Atlantic Canada were being driven out of the work place and into the unemployment lines. Because of this government's changes to Bill C-20, the Unemployment Insurance Act, last year those same Atlantic Canadians found themselves going very quickly from unemployment to welfare to food bank lines outside churches. They came to rely on food banks for the very necessities of life such as food for their children.

On that date I asked the Minister of Finance to indicate clearly that this government was still committed to a level of equalization to maintain the ability of the poorest provinces in Canada to deliver a national program at national standards.

We know this government is cash starved because it has mismanaged the days of plenty that it had in the mid-1980s. We know that it has mismanaged the debt and that it has grown. We also know that when it comes time to share the gain it is not equal across this country, but when it comes time to share the pain it seems that we in Atlantic Canada are more equal and we get a little more of the pain than we ever get when the gain plate comes along.

I simply asked the minister that day what assurances he could give me that the equalization payments would never fall to a level below which the provincial premiers in Atlantic Canada would be unable to provide programs of national service in health care and education and social programs.

Today I get a chance to sort of flesh that question out a bit and to ask the parliamentary secretary if perhaps he could give me a level of assurance that we in the Atlantic once again are not going to be derailed, that we in the Atlantic are not going to be asked to be second-class citizens, and that this government, even with its cash shortage position and even with the escalator clauses in the equalization formula, which is enshrined in the Constitution, by the way, will take whatever measures, however extraordinary, to ensure that the level of equalization payment will never drop below a level at which it will affect the standards of national programs delivered by the provinces.

Things are no better today. They are probably a little worse off than when I first rose. Those same concerns are still there. I know full well that there was a bit of a surprise last week when the Minister of Finance announced that some of the provinces would be getting up to $70 million in additional equalization payments because they have adjusted some of the inputs into the formula, but that still leaves us well over $100 million short. Hospital beds are closing. Tuitions are rising. Atlantic Canadians need more than a slight assurance. We need a commitment from this government that it has the best interest of Canadians at heart in ensuring that those in the have not provinces will be not driven further into despair.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, what really bothers me is when a member who is supposed to tell the truth, the whole truth and nothing but the truth —

An hon. member: And who is a Liberal.

Mr. Vincent: —manages to say not one word that makes sense. It bothers me because anyone who knows how the federal government's system of transfer payments to the provinces works—and the hon. member has been here long enough, so he ought to know—is aware that certain calculations have to be made before the federal government sends money to the provinces. These calculations are made on a per capita basis and on the basis of a lot of data that are not immediately available, and it can take up to 39 months and seven calculations before getting the final figure for the amount of money the federal government will transfer to the provinces.

On the very first day we cannot reach a final decision on what the amount will be because seven more calculations will have to be made. That was my first point, and it is too bad I do not have more time because I would have a lot more to say about this.

My second point is this: In 1984–85 the federal government gave the provinces $25.6 billion in transfer and equalization payments. In 1991–92 it will give $37 billion, which means an increase of nearly $12 billion in five or six years. The figures are self–explanatory. They demonstrate this government's interest in the well–being of Canadians in all provinces, whether they are poor, not so poor, or rich. The amounts have been raised annually and will continue to be raised.

When I hear members say that this was frozen and that was cut, it just is not true. There has been a substantial increase annually, and this substantial increase will continue. I see my time has expired.

[*English*]

ALGOMA STEEL

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I welcome the opportunity to elaborate upon a question I asked the Minister of Industry, Science and Technology on October 23 about the restructuring of Algoma Steel.

I will quote directly what the minister said at that time:

> I think it would be premature for me to indicate with any precision because it is very difficult to do at this stage of the discussions when we do not have the final answers from all the players around the table.

• (1820)

I will say that the minister and the government have been very consistent in their answers. We have asked good questions and they have been consistent, but the answers are always nebulous, ambiguous, and really do not promise us anything.

To show the consistency, on May 27 I asked the same minister a question and he suggested that it was a very positive element; he liked this question of employee ownership, but I had better ask the Minister of Finance. I asked the Minister of Finance, and he said: "I think it is a great idea and we will attempt to co–operate and work in a co–operative fashion to see what we can do to facilitate the kind of objective that the hon. member has in mind".

I have a letter dated August 19 from the same minister, the Minister of Industry, Science and Technology: "I look forward to reviewing the new plan once it has been fully developed in order that we can give consideration to options for securing Algoma's longer term future within the existing framework of existing policies and programs".

To continue, November 21, I have a letter again from the same minister: "As of this moment, a definitive restructuring proposal has not been presented to Algoma stakeholders, nor has there been a definitive request made of the federal government to participate in the restructuring proposal. The federal government cannot make a definitive response until it knows what it is being asked to do".

We now know, and I am sure the parliamentary secretary knows on behalf of the minister, that on January 27, Justice James Farley accepted a plan from all stakeholders. Now all of the stakeholders will have an opportunity to respond to that plan. To this point, the only totally silent partner in this scenario has been the federal government. Now they have run out of excuses. It is time to put their cards on the table. The Ontario government, I would like to say, has been very, very forthcoming in this exercise.

The unions at Dofasco and Algoma Steel want the federal government to come forward at this point in time. The excuses have run out now that the restructuring proposal is on the table. Rumours have it—mind you, they are only rumours—that the federal government has made some sort of offer of concrete assistance. I hope that is correct. This is an opportunity to dispel those rumours and make them a reality.

My questions perhaps are a little bit more than what I asked on October 25, but I think now they are in order. Will the minister agree to meet with the stakeholders? Up to this point in time, he has been stonewalling the union. Probably all of the stakeholders have been stonewalled.

Is the federal government prepared to say yes to any of our specific requests, the bridge pensions, 50 on up, or 55, which is the present POWA program? Is there any flexibility in POWA? The Minister of Labour says no. He says it is up to the Minister of Industry, Science and Technology.

Are there any tax credits to facilitate employee ownership? Are there any funds for the training institute? Are there more moneys for training and retraining of steelworkers and non-steelworkers? It is up to the government to say yes so that the rest of us can—

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired.

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, I am pleased to inform the member for Sault Ste. Marie that the federal government remains committed to using its existing program in practice to alleviate the hardship for workers and the people of Sault Ste. Marie, which could result in a substantial reduction in Algoma's work force.

The older worker adjustment proposal put forward by Algoma in its plan of arrangement dated January 21, 1992 goes well beyond the bounds of existing federal programs and practice and would set a precedent, the cost and implications of which are simply untenable. This would certainly not be fair to companies and employees who have found themselves in similar positions in the past. It would also be an obligation that the Government of Canada could not assume into the future because of the financial cost.

For these reasons the proposal as presented cannot be accepted. In its place, the federal government is prepared to offer assistance to older workers in a form that is more consistent with existing legislation and practices. Assistance would take the form of a special program, the cost of which would be shared equally with the province of Ontario, which would offer an income supplement to employees who are 55 years of age or older at the time the restructuring plan was implemented.

With respect to employee training and adjustment measures, the Canada Employment and Immigration Commission is currently negotiating a package with the Canadian Steel Trade and Employment Congress that would provide adjustment services responding to the needs of workers who may be laid off at Algoma and other places.

NUCLEAR INDUSTRY

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, last October I raised the issue of possible atmospheric radioactive releases into Canadian air space from the Hanford Nuclear Reservation in Washington State south of the B.C. border and the possibility of future contamination.

Just 300 kilometres, as the wind blows from the Canada-U.S. border lies one of the most lethally contaminated spots on the face of the earth. The 1,450 square kilometre Hanford Nuclear Reservation site near Richland, Washington is a child of the Manhattan project. In 1943 the U.S. military constructed three production reactors to process high-grade plutonium, and afterward Hanford became a keystone in the cold war race against the Soviet Union for nuclear superiority.

Hanford is home to 63 per cent of all the high-level nuclear waste produced in the United States, some of which can kill or maim for thousands of years. Below the desert lies a hidden nuclear graveyard, which contains a bizarre collection of irradiated nuclear junk. Bulldozers, dump trucks, freight trains, spent nuclear reactor housings, and other radioactive debris were buried there when they became too contaminated for use.

Some of the radioactive plutonium stored on the site has a half-life of some 24,000 years, the time it takes to decay to one-half of its original volume. Conceivably, Hanford could become one of the last artefacts of our civilization, a legacy to our nuclear age.

In addition to the billions of litres of high-level waste and radioactive sludge that are stored in underground tanks, buried in tank farms in Hanford, is a literal plethora of other radioactive nuclear waste. Swimming pools temporarily house some 2,100 tonnes of nuclear reactor fuel that was due to be processed into plutonium before the facilities were shut down.

But what is most startling about the Hanford story is what until recently has been left untold. Through recent access to previously classified military information, evidence is now emerging that portions of the Pacific northwest, possibly including areas of southeastern British Columbia and Alberta, may have been extensively contaminated by atmospheric releases, both accidental and deliberate, from the Hanford Reservation. In 1986 the U.S. Centre for Disease Control reviewed some 19,000 pages of previously classified documents and concluded that atmospheric releases of radioactive iodine 131 from Hanford were the largest documented in any U.S. nuclear facility to date.

Based on the preliminary findings, two U.S. studies are now being conducted: a thyroid cancer study of 20,000 children who were under the age of 19 between the years 1944 and 1953, as well as a radioactive dose reconstruction project.

But here in Canada, B.C. medical authorities and the Canadian Medical Association have urged the federal government to become involved in these studies in order to determine the levels of exposure. I am asking this government to involve itself in these studies. There is a group of members of Parliament from B.C. who will be touring the Hanford facility, and hopefully we will be able to bring back more information that will convince this government of the need to determine whether or not there has been accidental exposure of Canadian residents to these radioactive wastes.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I just want to inform the member that in 1988 the Department of External Affairs raised concerns about the impact of historic releases of radioactive material from nuclear facilities at Hanford, Washington and Fernald, Ohio. The investigation was made by the AECB to provide a factual account and assessment of the issue and to avoid unwarranted alarming of the public by any undue expression of and concern about emissions from nuclear facilities.

At the time this was of importance because there were news media reports about leaks occurring at the Hanford facility and its possible effect on Canadians.

The AECB study included reconstructing the radiation doses possibly received by Canadians from atmospheric releases from these and other American facilities. Also calculated were the doses that Americans could have received from border area Canadian facilities such as the uranium refinery at Port Hope, Ontario.

• (1830)

I would like to state very clearly that in assessing the history of atmospheric releases from nuclear facilities in both countries, the AECB determined that the maximum dose to an individual at the border between the U.S.A. and Canada would not have been higher than one-fifth of one per cent—0.2 per cent of the AECB dose limit for members of the public.

In other words, as you have been assured previously, the atmospheric releases of radioactive contaminants from the Hanford and Fernald nuclear facilities pose no negative impact to Canada.

The AECB report issued in 1989 also concluded that the radiological effect of the then current radioactive releases from selected American and Canadian nuclear facilities close to the border was very small on individuals of the other country—a small effect in this instance being between 100,000 to 400ths of one per cent.

I am very pleased to have the opportunity just to have given a bit of credit to the Atomic Energy Control Board for acting in a very responsible and professional manner.

SPECIAL DEBATE

[*English*]

The Acting Speaker (Mr. Paproski): Pursuant to order made on Friday, February 14, 1992, the House will continue to debate on the adjournment motion for the sole purpose of allowing members to make presentations on the results of discussions they have had with their constituents on the constitutional issue.

When we left the debate, the hon. member for Carleton—Charlotte had five minutes remaining in his speech.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, thank you very much for the opportunity to finish my portion of this debate.

As I mentioned last Thursday evening, February 13, the process that we used in my riding of Carleton—Charlotte was, to say the least, a lengthy process. We had 20 individual meetings—I called them round table constitutional discussions—within my riding and from all parts of my riding we conducted these meetings. I think we had some common themes throughout the course of those 20 meetings. But I think far and above the most common of all of those themes would be the sense that the *status quo* is no longer tenable and that indeed we need some fundamental changes to Canada's Constitution. I think that would be the theme that ran throughout these 20 meetings.

It was also the theme I heard when I had the opportunity to speak before some of our service clubs, schools and other interested organizations, that they indeed want this country to work, but certain things have to change.

If we can go through some of the 28 proposals and some of what my constituents were telling me, to start with the Canada clause, which is the beginning of the 28 proposals, I think the feeling in my riding is that most Canadians like the idea of the inclusion of a Canada clause so that we, for the first time, really explain what we are as Canadians.

The other one that was mentioned very, very frequently was Senate reform. We did not get too much into a Triple-E Senate or what form the Senate would take, other than saying that we in Carleton—Charlotte felt that senators should be elected. I think that was the common thread in the Senate discussions.

On aboriginal rights, the figure was thrown out in just about all 20 meetings that as a federal government we allocate something in the order of $4.4 billion per year to the Indian community and it is not working. So aboriginal reform, aboriginal right to self-government is something that we support in Carleton—Charlotte, knowing that what we have done up to this point in the history of our country has not worked.

Taking a look at Parliament itself, I have no hesitation at all in telling you that my constituents, again probably reflecting just about every constituency across this nation, feel that we need some reform here in the House of Commons itself, that indeed we can make it better so that members of Parliament have a little more latitude in how they represent their constituents and possibly not be so confined or restrained by party lines.

We also talked about the notwithstanding clause. Many constituents are upset with the fact that while we have a charter of rights, at the same time the notwithstanding clause can take away the rights within that charter. The suggestion there should be some changes or the complete elimination of the notwithstanding clause seemed to be a common theme throughout these talks.

Because the province of New Brunswick is the only officially bilingual province in the country, we had usually a lengthy discussion every night on distinct society with the understanding that in fact it was nothing new, but was something we have recognized in this country for the last 200 or more years, but always differing views on it. However, at the end of the evening, most of us accepted the fact that it is a reality that has to be dealt with, that has to be stated and that we can accept as Canadians.

Finally, because my time is running by very quickly, I want to table a brief that was submitted by Heartland Branch No. 24, Royal Canadian Legion. It was sent to me by Fred Hatfield and Percy Toft, chairmen of the unity committee of Heartland Branch 24, Royal Canadian Legion. I want to conclude on this, if I may. One of the things they suggest which is very interesting, very new and I suppose innovative, is that we balance off the guarantees made to us as citizens or groups of citizens in the charter of rights with a charter of responsibilities.

They go on to tell us that these would not be legally enforceable but would express our recognition that democratic governments work by us and through us and not just for us and upon us. Such a charter might include a number of features and they go on to tell us what they are. I do want to table that brief.

I think the underlying concern in my constituency is that we do have a great Canada. We want to continue to have a great Canada, a unified Canada, and we want to do everything possible to make it even better as years go on.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is a pleasure for me to participate in the debate tonight on the Constitution on behalf of the people of Cardigan, Prince Edward Island. Last fall the government tabled its proposals on the Constitution and the special joint committee started its hearings in Charlottetown, Prince Edward Island. This was only appropriate because most people are aware that Charlottetown is the cradle of Confederation.

Islanders from all walks of life have followed the constitutional debate closely. At the public meetings in the small towns across P.E.I., Islanders expressed their desire to keep this country together. When you look at the small population of Prince Edward Island, a great number of people came out to the meetings. I certainly wish to congratulate the constituents of Cardigan for showing their great concern for the Constitution and also for showing their great concern for the people of Canada.

In Prince Edward Island we have our own way of doing things. Being an Islander has always fostered a strong sense of community and sharing. When Islanders do something, they do it together. They believe in working as a team in a spirit of co-operation and trust. Islanders proved last fall they were willing to co-operate. Now it is the government's opportunity to show that it is going to co-operate too and listen to the people from my constituency of Cardigan.

These are some of the concerns that Islanders have been telling me about over the last few months. Islanders do not want property rights in the Constitution. Some people have said the measure is only intended to protect home owners from government expropriation of their homes. Property rights entail much more than real estate.

In P.E.I. we have special legislation regarding the ownership of land, restriction on the development of beach front property and other measures. Such measures might not be possible if property rights are entrenched in the Constitution.

• (1840)

The federal government has proposed to transfer a number of responsibilities to the provincial government. Some of the responsibilities include job training, drug prosecution, ferry services, small craft harbours and inspection services.

Some provinces want to take over full responsibility for job training and some other provinces do not want the burden. Many of my constituents feel that for those provinces which want control over job training, they should have that control.

However, my constituents in P.E.I. would like the federal government to keep a presence and to continue receiving help from the Department of Employment and Immigration. In eastern P.E.I., a partnership was worked out between the provincial department of social services, Justice, RCMP and others.

We set up the discovery program. This program was a tremendous success, and it is an example of what can happen when all people work co-operatively. The discovery program was designed to meet the needs of the people. Too often, we design a program and people must meet the criteria of the program. This discovery program, because of the way it was designed, has become a great success.

In other areas, my constituents would prefer to see the federal government keep the responsibility simply because they think Ottawa is best able to deal with the issue.

Drug prosecution should remain the responsibility of the federal government. If it were put in the hands of the provinces, we would end up with a patchwork approach to a serious criminal activity. Stopping the drug trade requires a national effort, not measures that are different in P.E.I., New Brunswick, Alberta or British Columbia.

Ferry services must remain the responsibility of the federal government. As it stands right now, the federal government has the constitutional duty to maintain a link between Prince Edward Island and the mainland. We are well aware of the possibility of the fixed link, but beyond the fixed link responsibility, my constituency is very concerned about the ferry service in eastern P.E.I., the Wood Islands-Caribou ferry service. This must be maintained also.

Ottawa states that it wants to give to the provinces authority over small craft harbours. This is simply not acceptable. Unfortunately the infrastructure of small craft harbours is in a deplorable state and it would cost millions of dollars to put it back in shape.

Islanders feel that it is the constitutional duty of the federal government to do this and at the moment, it would be fiscally impossible for the provincial government in Prince Edward Island to put the infrastructure back in place because of the poor situation it is in.

Inspection programs would be another example. It is important for inspection programs to ensure that the standards for agricultural products remain the same across the country.

Issues like distinct society, Senate reform and aboriginal self-government receive most of the media attention during these constitutional talks. Islanders recognize that these are probably the most important constitutional issues facing the country and they must be dealt with.

However, things like small craft harbours, food inspections and ferry services are jurisdictional issues in the proposals that affect the daily lives of my constituents. These are the nuts and bolts of the Constitution and the thoughts of my constituents should be considered, not as a bottom line but as a recognition that they affect the lives of people.

Cardigan constituents want the federal government to remain strong, a government that is capable of overseeing Canada's needs in the international field. It is important that we have a federal government that is able to set national standards across the country.

We also need to draw on representation from the provinces. It is important to have people from all regions involved in the process. As I said, the people of Prince Edward Island have a strong interest in the Constitution.

I am very pleased to speak as the member of Parliament for Cardigan, Prince Edward Island. I am also pleased that the members of the House saw fit to allow us the opportunity to put forward the views of the people we have the honour to represent. It is here in the House of Commons that we should make those views known to all Canadians. On behalf of those we represent, I urge all hon. members to listen to the views not only of their constituents but also for the views of my constituents as well.

The issues affecting the people of Cardigan might not be major, but they are certainly very major for the people in Cardigan. It is very important that small craft harbours, when they get in the deplorable state they are in now, remain under the authority of the federal government.

As I stated before, it is very important that ferry services remain under the authority of the federal government. Also we must have inspection services across Canada that are the same for agricultural products so we can put a quality product on the market. Of course the major issues are a very great concern too.

Before I end, I would like to read from the lyrics of a sang called *Sea to Sea* written by two Islanders, Steve Sharratt and Rolie MacKinnon. The chorus of the song makes a statement about how many Canadians feel about this great country of ours and I think it is a good way to end. The chorus goes like this:

> Am I standing alone for this land and its pride
>
> Are there none who will stand here with me?
>
> Will I not hear a voice call for hearts joined in trust,
>
> Can we not be as one, sea to sea?

I would like to table the full lyrics of this song.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I would like to present the submission prepared by Mr. Jean-Pierre Brunet on February 8 1992. Mr. Brunet is an engineer and he is president of the engineering and business consulting firm Bioptic Vision Inc. in Val d'Or.

It is my pleasure to inform you of Mr. Brunet's thoughts concerning the most recent constitutional proposals made by the federal government. I might also mention that Mr. Brunet is president of the Order of Engineers of Quebec, which has a membership of 35 000 engineers. However, it is not in that capacity that Mr. Brunet shares his ideas with us, but rather as a young head of a small business in a remote area. Mr. Brunet lives in my riding, which is the largest one in all 10 provinces.

The economic union in Canada is viable; it is doing well but it could do better if we got rid of the policies that stifle it. Here is, in my opinion, the best alternative, the one I propose, as well as the spirit with which I examined the constitutional proposals of the Canadian government.

The Constitutional Act of 1867 no longer meets the new needs generated by the social, economic and political evolution. The time has come to make important changes to our Constitution, in particular as regards the following topics, which are of special concern to me, since I live in what is called a remote area, the Abitibi region, which also has several aboriginal communities.

It seems to me there are very few proposals which can be accepted or rejected in full as presented originally. That is why I make some suggestions which I hope will improve the Canadian government's proposals.

Let us first talk about property rights. The first federal proposal to amend the Constitution Act of 1982 in the document entitled *Shaping Canada's Future Together,* proposes to amend the Canadian Charter of Rights and Freedoms to guarantee property rights. I believe that this a fundamental natural right. Indeed it is from nature than men and women received property rights so that everyone could support themselves and their family, and so that the goods are indeed used for their intended purpose.

Property rights also entail duties. For instance, in the case of property rights as regards production goods such as machines and businesses, there are moral duties with regard to social purposes. That is why this right must be subordinated to the common good. Therefore, the public acquisition of goods intended for public works such as highways or a hydro electric project, could be done in the interest of the public good, while at the same time respecting the owner's right who, if need be, would be reasonably compensated. The same applies to the ability of governments to make decisions on, for instance, the economy, industrial strategy and regional development in the interest of all citizens.

• (1850)

However, this right is not merely a social function, even if it does imply certain social obligations. This right is part of our human dignity. In fact, it would be useless to demand the right to personal, independent initiative in economic matters, unless that initiative is based on free access to the resources needed for its expression. History and experience have shown that under a political system that does not recognize the right to private ownership of production goods, basic freedoms are restricted or practically non-existent. In my opinion the charter must identify the duties that accompany property rights.

However, it is not enough to stress the natural aspect of property rights. We must also emphasize that property rights should be granted to everyone, as much as possible. Property rights include the right to use the fruits of the earth to survive. These rights must be followed by a political, economic and social right that encourages and facilitates broader access to private ownership of durable goods: a house, a piece of land, a craftsman's tools, the equipment necessary on a family farm, shares in medium size or large companies, and this would apply to all Canadians including aboriginal people.

I think that enshrining the right to private property should be done in such a way as to allow for these considerations.

On the right to work and the right to knowledge, the Canadian Charter of Rights and Freedoms provides for the right to take up residence and pursue the gaining of a livelihood anywhere in Canada. However, I feel that the right to work and the right to knowledge should be more specifically identified in the charter.

I have skipped here and there, because his brief is fairly long and we only have 10 minutes. For the first time in our history we will have an economy based not only on renewable resources but on resources that can generate themselves and which may overwhelm us by their variety. Information is everywhere but is not available to all on the same terms. It seems to me it is important to ensure that all Canadians have access to this information, which will be a source of power in the years to come. Access to information could also have a very positive impact on relations between the people of this country.

That is why I suggest that the right to work and to knowledge also be enshrined in the Canadian Charter of Rights and Freedoms.

Turning to the status of native peoples, this was ignored in the Constitution Act of 1867 and only touched on in the Constitution Act of 1982. This question can no longer be postponed. Native peoples' awareness of it requires us today to deal frankly with the issue in the discussions that must be held on the country's constitutional future. Throughout the land, there seems to be a lack of understanding of this issue and also a broad consensus on the need to deal with the recognition of native peoples' inherent rights. It may be because people want to be done with this thorny question once and for all, but they also want to feel that all the inhabitants of this country are treated fairly.

I think that this matter should be the subject of a major concentrated effort so that it can be dealt with in at most five years instead of ten. Native people are ready to negotiate the terms of a renewed agreement. It is important that they stop being subject to the paternalistic Indian Act, which in many cases prevents them from looking after their own economic affairs. That is the case with the Algonquins, the Inuit and the Crees who live in Abitibi. The constitutional process on native issues must be speeded up and made a priority for all the governments concerned.

I also believe that the proposal to guarantee representation for natives in the Senate and in Parliament is a good thing and it should be implemented soon, even if Senate reform is delayed for any reason.

On equal opportunities and regional development; the objective of ensuring equal opportunities in economic and social matters must be the first of our constitutional objectives. However, this objective must be reflected in programs that should often be less ambitious but more in line with reality. It is also important that those programs be designed through a greater joint effort of the central government and the provinces.

To this end, we must stop giving Canadians the impression that the federal government's objective is to ensure that some day everybody will enjoy the same wealth. We must not aim for equality but rather for equal opportunities.

It is the non-tangible investments such as information, training and retraining that will dictate the survival of the best industries. Therefore, it is at that level efforts must be made to ensure equal opportunities for everyone.

The federal proposals do not deal with the issue of regional development. Yet this is a very important issue which, for a long time, served to justify the very existence of the federation.

In the past the government made commitments regarding numerous regional economic development projects. Most of these projects did not produce the positive results that were expected, given the amount of public moneys invested. However, this exercise was not as negative as claimed by some. For instance, in Abitibi the impression is that the federal presence in regional development has stimulated the provincial government's interest in our region's development. In fact, in recent years the federal has fulfilled its commitments whereas the provincial government has needed a lot of persuading and has not yet contributed its full share under the Canada-Quebec agreement.

It is now obvious that the authority for regional development must be in the regions and that the tools and the required flexibility must also be within the reach of regional developers. Several federal projects are good examples of concrete efforts made to give responsibilities to local communities as regards their development. The creation by Employment and Immigration Canada of Community Futures committees is a good example of federal intervention in the regions. This initiative ensured a joint effort and the setting up of 62 centres to help businesses in Quebec. Through these centres assets totalling $100 million are being managed. Those assets are used to finance business projects that generated investments of $356 million, created 4,000 jobs and preserved 5,800 other jobs in 5,000 businesses.

In spite of that success, I feel that responsibility for regional development should be given to levels of government as close to the regions as possible, to local levels of government and especially to the regional communities.

The distance separating them from the training centres represents, for people in the regions, an obstacle to learning which must be abolished. Statistics show that someone who is trained locally tends to stay there. If I may, and I know my time is running out, I would like to give a similar example by saying that we should draw government closer to the population and closer to the regions.

Finally, for the most demanding, for those Canadians who are never satisfied with mediocrity, for those who want full accomplishment and who are not satisfied with an average result, Canada's performance to date according to Volaskakis must be considered as unsatisfactory, if not right out altogether unacceptable for a country so richly endowed by nature.

The Acting Speaker (Mr. Paproski): I am sorry to have to interrupt the hon. member, but his time is up. I recognize the hon. member for Kamloops.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is indeed a privilege and an honour to present, on behalf of literally many thousands of constituents from Kamloops, British Columbia, the following report based on a number of constituent assemblies held throughout the constituency as well as a number of formal and informal meetings and sessions with constituents.

I want to say simply that the following constituent assemblies were held in Blue River, Clearwater, Barriere, Logan Lake, Savona, Pritchard, Chase, WestSyde, South Kamloops as well as three continuous nights on Cable 10 television so people could participate from the comforts of their own homes. There were also meetings with the councils of Logan Lake, Chase, and Kamloops. There were visits to Caribou College, Clearwater Secondary School, Barriere Secondary School, Logan Lake Secondary School, Chase Secondary School, a number of junior secondary schools and some elementary schools. There were also presentations to service clubs, ethnic organizations and community groups.

Having received a large number of briefs and letters I am able today to attempt to synthesize at this stage what the people of Kamloops are saying about the 28 proposals presently being studied by the parliamentary joint committee and will soon be making recommendations for the provincial governments and Canadians in general to see and respond to.

It became very clear that almost all of the constituents wanted more free votes in the House of Commons and a significant reduction in party discipline. When it comes to voting, not only do all the constituents feel strongly about it, but members of the House of Commons also feel strongly in terms of seeing an early introduction to this change.

There is certainly an interest in an elected Senate. A number of people indicated that perhaps we should just abolish the Senate, but recognizing that we are the largest federal country in the world, the second largest geographically, the feeling that there was a role for the regions of Canada in national decision making prompted most people to actually support a Triple-E Senate and, if that is not possible, certainly an elected Senate with significant powers.

The matter of property rights was supported by almost everyone, assuming that property rights meant the right to own your own home, farm or small business.

• (1900)

If it meant giving exclusive or longer term exclusive rights to multinational drug companies, if it meant disrupting the dispersal of assets in a marriage break-up and so on, this is not something that people want to see entrenched in the Constitution.

There was general agreement on a reduction of provincial trade barriers, but not an exclusive rejection of some barriers, particularly if it meant that we could implement the buying of British Columbia products or the use of British Columbia services, if it meant the utilization of pension funds to provide funding for economic development, or if it meant the use of government programs like auto insurance.

This is something that people did not want to see necessarily changed but they certainly wanted an opening up in a liberalization of provincial trade barriers as they presently stand.

There was major concern with the notwithstanding clause as it refers to the Charter of Rights and Freedoms. I would say that we were equally balanced. Half the constituents held that the notwithstanding clause should be dropped so that the Charter of Rights and Freedoms remains as is presented.

If we are going to have a notwithstanding clause, and many people saw the wisdom of that, people suggested that it should be increased to a 66 and two-thirds vote to enable the provincial legislatures to override the Charter of Rights and Freedoms.

The inherent right to aboriginal self-government was endorsed by all, with some trepidation reflected by those people asking what self-government actually meant. It is fair to say that there was a lot of doubt as to what the implications might mean, particularly when we recognize that the settlement of land claims had to go with aboriginal self-government. There was some uncertainty and some concern.

The recognition of Quebec as a distinct society was accepted by most people once the definition proposed was understood, and that definition is that a distinct society in relation to Quebec would include a French-speaking majority, a unique culture and a civil law tradition as we have known for many years.

If that is what it meant, there was general agreement that it could be supported. If it means a significant increase in powers and privileges, this is something that most people felt very uncomfortable with and would not be prepared to support.

The constituents wanted to retain strong but not exclusive federal jurisdiction over training, immigration, culture and broadcasting. They felt that some provincial involvement would be appropriate but by and large wanted to see a significant federal involvement.

They say that the federal government should be concerned with drug prosecution, wildlife conservation and protection, the transportation of dangerous goods, aspects of federal financial regulations and various inspection programs. These areas should remain under federal jurisdiction. Others should be considered for provincial jurisdiction, such as tourism, forestry, mining, recreation, soil and water conservation, dairy services, small craft harbour programs, and some aspects of unfair trade practice law. Those could be provincial jurisdiction almost exclusively.

When it came to programs like health care and post-secondary education, there was a feeling by almost all of the constituents participating that the federal government ought to continue to play a significant role in those two areas to ensure that all Canadians have access to proper health care and proper post-secondary education.

The inclusion of a social charter was supported by most, but not all. The guarantees of health care, education, a clean environment, jobs and housing are things that people would like to see in the Constitution as a general guideline and goal to which the country and citizens would aspire.

The matter of a council of federation was almost exclusively rejected. People thought that another layer of government was completely unnecessary and that any residual power in the future ought to reside under federal jurisdiction as it presently exists. People felt quite comfortable with that, and they liked the idea of more democratization when it came to Supreme Court appointments.

There were many other concerns raised, but these were of primary concern. When it came to encouraging the settlement of aboriginal self-government, there was almost exclusive support that this should be done as quickly as possible, and also to get on with the settlement of land claims to bring more stability to the country.

I want to emphasize the matter of the Senate. Most people felt very strongly that if we were going to have an elected Senate, it ought to have some significant powers. As I said earlier, the feeling was that it should be a Triple-E Senate with equal representation from the provinces.

They recognized however that if there is a hesitation on behalf of Ontario and Quebec to follow through, then certainly we should do our best to make it as equitable as possible so that the regions of Canada, and in our case particularly western Canada, would have significant and useful roles in national decision making in the future.

I want to say that all of the participants, and there were literally thousands of participants when you add up all of the different gatherings, assemblies and meetings, wanted the country to stay unified. They wanted Canada to be maintained as the dynamic country that it is.

There was some concern over the role of multiculturalism in the country until it was recognized that one of the things that distinguishes Canada from most countries is the multicultural nature of our country and the fact that some of our population is made up of folks who come from other areas of the world, with the exception of the First Nations. Even then, I suppose a case could be made that they too, thousands of years ago, came from another part of the world.

In closing, the gatherings were excellent. People were very positive and upbeat and very hopeful that once this matter was turned over to the politicians of the country we would find ways and means through hard work to ensure that Canada stays a unified nation.

Mr. Howard Crosby (Halifax West): Mr. Speaker, the time allocated for debate of constitutional issues does not permit a review of all the elements involved in the process of constitutional change or the consideration of all the proposals for reform and amendment discussed by constituents in Halifax West and others in Nova Scotia.

For this reason, I will confine my presentation to an overview of the need for constitutional revision. Then I intend to review some of the proposals for constitutional change that have particular interest and relevance to my constituents and to other Nova Scotians whose concerns I respect.

First, let me consider the recent history of constitutional evolution in Canada. In doing so, I am reminded of a wise sage of the past who said that those who do not examine the events of the past endanger the future because they are likely to repeat the errors and mistakes that have been made in the past.

We should ask ourselves why we have this current initiative for constitutional change. In reviewing that question I want to make a special reference to an article that appeared in *The Toronto Globe and Mail* on January 17, 1992 by Michael Bliss. That article is so bereft of intelligence and understanding of the situation that it almost borders on sedition. This man heads his article: "Let's shut up and keep the *status quo*".

He goes on to construct a situation where we had constitutional changes in 1982, promoted by the then Prime Minister of Canada, Mr. Pierre Trudeau, with the consent and concurrence of the Parliament of Canada and many of the premiers. That was only after a very difficult process in which the Prime Minister attempted to unilaterally change the Constitution.

The matter was reviewed by the Supreme Court, the process of change was objected to by many of the premiers, particularly the premier of Quebec. It was only after a great deal of difficulty that constitutional changes were made.

Mr. Bliss writes that there was a referendum in Quebec, that the people of Quebec were represented by members of Parliament, the Liberal Party held 74 of 75 seats at the time and it was speaking for the people of Quebec.

But what Mr. Bliss does not recognize is that in 1984 the same Liberal Party suffered the worst political defeat in the history of Canada. Most of those members who sat in this Chamber and refused to acknowledge the interests of the Government of Quebec, represented by the premier of Quebec, were defeated.

It was essential that the new government review the whole situation and take up the challenge of constitutional change and attempt to obtain the concurrence of all the provinces including the province of Quebec.

• (1910)

I would not have minded his article so much had it not been repeated almost verbatim in the *Halifax Daily News* on January 27, 1992. Are these people not expected to know history? Are these people not expected to examine events of the past so that they will not make the same mistakes in the future?

They have shown an irresponsibility in their editorials that goes beyond any understanding that I could give to the writers of those editorials. They echoed the view that there was no need for constitutional change.

Imagine a responsible editorial writer in 1992, in Canada, saying and writing and committing to the historic record that there is no need to pursue constitutional change in Canada, that we should "keep the *status quo*", as Mr. Bliss says and as the *Halifax Daily News* says.

I want to disagree with that because if we do not move to make constitutional changes we will indeed repeat the mistakes of the past and it will have disastrous effects on Canada and Canadians.

Let me deal with some of the specific matters involved in the proposals for constitutional change. First, I should remind everyone that the Government of Canada has documented 28 propositions and proposals for reforming and amending the Constitution in the document *Shaping Canada's Future Together*.

It is also worth noting that the government had many of those proposals vetted before a series of conferences which were completed in Vancouver this past weekend. I do not have an opportunity nor time to review all of those proposals but I will, as I said, review some that have particular relevance and concern in Nova Scotia.

I should mention a second procedural point, that is in the province of Nova Scotia the proposals for constitutional change were reviewed by the Nova Scotia Working Committee on the Constitution. That was a body which was established with the consent and concurrence of the leaders of the political parties in Nova Scotia and the members of the Legislative Assembly of Nova Scotia. It was chaired by Eric Kierans.

This working committee claimed to have travelled Nova Scotia. It sought the opinions of a wide segment of the Nova Scotia community and formed a consensus around a number of the propositions and recommendations they made to the government.

What is more important is that the premier of Nova Scotia along with the opposition leaders appeared before the special joint committee of the Senate and House of Commons on a renewed Canada and made presentations that were based on the findings of the working committee. I will talk about some of the findings at the review of the specific items I want to deal with in this short presentation.

First, let me deal with the matter of the distinct society. Fortunately for elected representatives from Nova Scotia the working committee found that there was support from the people of Nova Scotia for a distinct society in relation to the province of Quebec.

I was gratified to have that finding because I must say in all honesty it was not my impression that there was wide support for the concept of distinct society. The recommendation for such a change was endorsed by the working committee and by the political leaders in Nova Scotia.

The area of difficulty, because there was not wide support for this proposition at the time of the Meech Lake Accord, is that it was not limited to language, culture and the civil code. Suffice to say there are some words of limitation in the current proposals.

Personally I stand in support of the concept of the distinct society. I regard the province and people of Quebec as distinct and I do not want to confuse that with anybody else's distinctiveness. I think we all know what the province of Quebec and the leaders of the community desire in the constitutional framework.

I am pleased that Nova Scotians through the government and through the working committee have endorsed that concept.

There are those who would object. To them I simply say that it is in the interest of all Canada that we recognize the legitimate concerns and desires of the people of Quebec.

Second, I would like to talk about the division of power. I attended the constitutional conference that was held in Halifax. While there was strong support, particularly in Nova Scotia and throughout the maritimes, for a central government that has the full power and authority to govern in Canada and create a strong economy for the benefit of all Canadians, there is a recognition that you can have what has come to be called asymmetrical federalism; that is to say, it is not essential to a strong central government that each and every province has exactly the same power. So there is some possibility of concurrence.

I was going to speak on the matter of aboriginal rights. I hope that subject will not be used to delay, diminish or even demolish constitutional change. I can say the same about Senate reform. I had the opportunity to be on a committee that considered Senate reform, and in some sense it is really a constitutional impossibility. It goes to the root of our system. Again, I hope that failure to reach agreement on Senate reform will not wreck the constitutional initiative.

As I understand it, I have only a short time remaining. Let me say to all who might hear that I think history will show that the Prime Minister of Canada accomplished a great deal when he got all the provinces to agree on the propositions contained in the Meech Lake Accord. I trust all members join me in the expression of the hope that we can reach the same kind of accord, because what is essential in the process is not the specifics of constitutional change so much as the accomplishment of agreement and accord among all the constituent elements of Canada and with the support of all Canadians.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise to participate in this discussion this evening. I do so not because I have had a particular meeting in my constituency to deal with the Constitution in recent past, but I did have one on February 12, 1991 at the City Hall in Kingston, Ontario.

A considerable number of interested citizens, several hundred in fact, showed up at City Hall to discuss the Constitution at that time, but that was prior to the government's tabling of its 28 proposals, which it has made public and which have received a great deal of attention across Canada in recent months.

The meeting was an interesting one. I had many what I could call ordinary interested citizens there. I had various constitutional experts who have since participated extensively in the public discussions on the Constitution, and I had representatives of various groups who appeared and expressed interest and concern.

Subsequent to those meetings, some of the groups contacted me and asked me to listen to the views they had to express. I met with various smaller groups and discussed ways they might approach the government to make known their views and feelings on the subject of the Constitution.

I decided that in presenting views tonight I would quote from a few of the briefs and documents that some of these groups have submitted and see if they do not give some indication of the views that are held in my constituency on this subject.

I must say that the constituents who have expressed opinions have done so forcefully, vigorously and well. I know that their remarks, comments and briefs have been directed to the government primarily, and, where appropriate, I have forwarded those to the government, but in most cases I have received copies.

I also canvassed the views of my constituents in a questionnaire in one of my recent householders, a householder of last autumn. Unfortunately the results have just become available because of the lengthy period required to compile the results; 738 questionnaires were returned. While I do not want to cite these figures as authoritative because I think there is a serious imbalance in them, and I will explain that in a moment, they nevertheless indicate the views of some of the people in Kingston and the Islands.

Of the 738 questionnaires that were returned, 64 per cent of the responses were identified as males, 26 per cent females, and 10 per cent gave no answer to the question on gender. Forty-four per cent of those returned were returned by persons aged 60 and over.

• (1920)

So again there is a significant imbalance because, of course, 44 per cent of the riding is not 60 years of age or over.

Nevertheless, in answers to a few of the questions, a constitutional statement on the nature of Canada should include four items. The four items that were listed were: our attachment to two official languages, 51 per cent said yes; the diversity of the cultural heritage, 64 per cent said yes; the distinct character of Quebec society, 31 per cent said yes; and the recognition of the role of the aboriginal people, 78 per cent said yes. The figures do not include the persons who did not answer each of those questions. They are taken out so that in calculating the noes, you have to take those into account. In other words, the no is not the exact inverse of the other figure. However, those are the kinds of questions that were put in this questionnaire and those are the answers I received.

Do you favour a reformed Senate in which senators would be elected? Eighty-one per cent said yes.

Do you favour the free circulation of people, goods and capital within Canada? Ninety-four per cent said yes.

On the elimination of interprovincial restrictions on trade, 86 per cent said yes.

When legislation is passed in the House of Commons, do you believe the Senate should have the right to amend legislation? Forty-five per cent said yes. The right to reject it? Twenty-nine per cent apparently said no to that.

Do you believe in the creation of new provinces? The answer there was mostly unsure.

Those were the kinds of questions that were asked and those were the kinds of answers I received.

However, there was another group called the Committee for a Rational Canada, which was formed in my riding. It was a group of concerned citizens, most of whom had lived and worked in the province of Quebec. They submitted an extensive brief to the special joint committee outlining their views on the government's proposal. I wanted to quote from the conclusions of the brief they submitted: "The Committee for a Rational Canada was agreeably surprised with the government's proposals for shaping Canada's future together. We recognize it is extremely difficult to produce a document which will please a majority of the governments and others with vested interests.

"We undertook this review of the current constitutional crisis before the government's document was produced because we believe strongly in Canada and believe it is individuals like us who must get involved. There are too many hidden agendas among those who make the most noise in the media, and unfortunately the average is not heard. No wonder the electorate are turned off by this process.

"The over-all feeling of the members of this committee is that we must try to keep Canada together, but not at any cost. A separated Canada will result in two parts which are each poorer than if together. However, the continual bickering and perceived blackmail by both sides we have endured over the past 20 years cannot continue.

The rest of Canada must be prepared to accept Quebec as it is, different. Quebec must be prepared to accept that the rest of Canada wants a strong, unifying government. We hope most sincerely that good sense will prevail".

I think it is an excellent indication of the support that exists and the goodwill that exists throughout the community in an effort to resolve this difficulty we are facing at the present time.

The other quotation I thought might be of interest to hon. members is one from *The Whig Standard*, the local newspaper, for those who are unfamiliar with it, on Tuesday, February 11 of this year. The article is written by John Whyte, Dean of the Faculty of Law at Queen's University and a recognized constitutional expert. He suggests that the government's proposals are simply more than we can manage and that they go beyond what are necessary to resolve the current constitutional crisis in that they propose too much and they put too much on the table.

He gives three reasons for this, and I would like to quote from the article. He says:

"First, the federal government's reform agenda is far too extensive. Some might believe that it is essential to focus on reform of the Senate, for instance, because the west must be satisfied about its needs before it will even think about Quebec. Still it is not necessary to deal with both the Senate and a host of other issues—economic integration, reform of Parliament, constitutional standards for social welfare, aboriginal self-government and so on, in an effort to resolve the current crisis".

He says: "Second, the proposals relating to economic integration are not only not responsive to Quebec's primary interests but are also hostile to them and hence counterproductive to the current objective of national accommodation".

Also he says: "Third, the present process is obscure. The federal proposals disguise the very significant concessions made to Quebec autonomy in two proposals. The distinct society portion of the Canada clause could well lead to judicial recognition of special legislative powers for Quebec. The federal government has chosen not to disclose the precise language of the Canada clause, although that would help us understand the clause's significance. Furthermore, it has downplayed any real impact of the clause. Although I do not think it is unacceptable to include a distinct society clause that will impact on legislative powers, it is foolhardy to cover up this possibility and thereby postpone a controversy that must be faced and debated. Likewise the federal proposal with respect to legislative interdelegation represents a singularly unfortunate form for creating special status for Quebec. The centrality of this proposal is not being disclosed and consequently the inevitable debate over its acceptability is not being held in a timely way".

Those views by Professor White are ones that I think the government might well consider. I think that in presenting its proposals it has tried to be all things to all people. It has tried to throw something to everybody to try to make Canadians feel that the debate is either more important for everybody or that everybody is going to get something out of it.

The federal government does not have something that it can give away to everybody. As we near the closing time on this debate, when the committee will be reporting and will be considering what recommendations to make to the government, it must bear in mind comments like these where 28 proposals must be whittled down to something that is manageable, something that will prove acceptable to the vast majority of the people of this country, and not try to provide something for everyone where there are other proposals that will be unacceptable to a large number.

[*Translation*]

Mr. Guy Ricard (Laval–Ouest): Mr. Speaker, I am grateful for the opportunity given me to participate in this crucial debate in the House today.

Up to now we have heard all sorts of comments during this debate. For example, we heard "too much power to provinces" and "not enough power to provinces". I also had an opportunity to talk with the people, with persons involved in each of the ridings and, at least in my riding it is the case, what we hear generally is: "We do not want to hear about this any more; we have had enough."

Mr. Speaker, I think these people are right. You will recall that we were first elected in 1984 under the banner

of national unity and that from 1984 to 1987 we tried to realize national unity. It is certainly not the Prime Minister who is at fault; you know all that he did to bring Quebec back into the Canadian fold. Neither is it the fault of ministers of this government. But, some people, in order maybe to get more votes, decided to change the fundamentals of the discussion and to kill the Meech Lake Accord.

If we really go to the people and ask them the following question: "Do you wish, yes or no, to belong to a country", the answer will be clear. It will be yes. Then you can ask: "To which country do you want to belong?" People will answer: "I want to belong to a rich country, where life is easy and where there is peace and harmony". How can we get such a country? By using one word only: tolerance. I believe Canadians would be unanimous on the matter. If everybody from Halifax to Vancouver uses that word and lives through its meaning, we will get somewhere. In spite of all the possible and imaginable studies, reports, committees, discussions and consultations, if we refuse to show tolerance in our requests and in our offers, we will never attain unity in this beautiful country of ours.

• (1930)

We now live in Canada as we would in a large family, where tensions emerge. You know as well as I do, Mr. Speaker, that one can hardly raise a family of four or five children and give them a decent standard of living, without having to make decisions. Sometimes one child might disagree with his father's or his mother's decision, but as hard as it is we must make decisions.

One must also recall that time is against us. We talk about economy, and I personally think that we cannot give a boosting to the economy until we settle our family dispute. Right now we are like a dog chasing its tail. On the one hand, we say we need investments but investors do not come here because they are scared to invest in Canada. The country is not stable enough. On the other hand, we say if we had a stable country people could make investments here. It is a vicious circle. Why do we not try to do both at the same time?

It is easy to discuss while on a full stomach. But it is a lot more difficult while hungry. And now, with unemployment, with an economic turnaround that is late, I think that everyone must do his share; everyone must take into account the fact that we must all work to boost the economy. I would really like that if the Europeans, the Japanese or the Americans invested billions of dollars in Canada. You will tell me: "Yes, but they are caught in the same problem as we are: they are in a recession". Yes, but is the recession not artificially created, using pure demagogy to make us believe that in this country like others all is not well. Have the media not a positive role to play in the economic renewal? We will be told that the media report the facts, but I think they have a tendency to dwell more on negative facts than on positive ones. If you read the morning papers, you do not find many of the good things our government did. However, you will find the scandal on the next street corner.

Are politicians doing their jobs when they try to make the best decisions for the country? Or, are they trying to play politics? I met people from the Bloc Quebecois in my riding. It is impossible to talk with those people. It is absolutely impossible. Nobody else but them is right. We have to erase everything and start again from scratch. But we already have a country. We have a foundation. We have all that. Why not sit down together and try to talk? Why all that demagogy? Even here, in the House, I heard some pretty spicy things. I even received phone calls in my office from people asking me: "Why don't you stand up and give so-and-so what he deserves?" But that is not the way to have a discussion. I mentioned the word "tolerance" earlier. We have to listen to what the others want. We have to negotiate with them. We have to be sensitive to their needs. That way we will all be in the same boat and work toward the same cause.

I know my time is running out. To conclude, I hope that in the next few days and weeks the final proposals Canada and this government will make to the provinces will be well received, with no show of intolerance and bad taste, and that everyone will take into account what has been said since 1984. I hope we will be able to weigh the pros and cons and reach a consensus for our children's and our grandchildren's sake. Time is running short for both of us, but our children and grandchildren are the future of this country and by working together we can give them a bright future.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I would like to thank the leadership in the House and all parties for providing members with the opportunity to participate in this debate. It is a very important time in the country. It has to be reiterated that all members of Parliament are committed to seeing that the constitutional process is not hindered by past positions and prejudices but in fact takes a giant step forward in the coming weeks.

It is not generally known, but before I began this life as a member of Parliament I was a university professor and I taught political science. Many people ask why I left the pleasant sanctity of the university ivory tower to take on a job as a politician. I say somewhat drily: "Because I was tired of talking about the Constitution all the time". I became a member of Parliament, and what are we doing in the House and across the country day in and day out? We are talking about the Constitution. I think it has caught Canadians somewhat by surprise, certainly people in my own constituency, just how dramatically the crisis in the Constitution has sneaked up on us.

Perhaps we had all been lulled to sleep by the fact that for years—and I think it is not unfair to say generations—we have heard of the threat on the Constitution. We have seen first ministers meet. We have seen private meetings over the years. We have seen public meetings. We have had royal commissions. All of them have talked about the crisis in Confederation. The fact is that there is a well-known book in the political science field by that name. At the same time everything seemed to settle down.

At this time we are facing the wall. We realize that if we do not make some breakthrough, if we do not change some things in this country, the crisis will become a reality. I say that not to add any hyperbole to the already highly fractious environment but to state with some sadness that in fact we have to make some adjustments and we have to make some changes.

This does not come easy for us. There are those of us, for example, who grew up in relatively easy times, being able to get a university degree, to enjoy Canada, to travel throughout the country and throughout the world and to hear about Canada. We are just a little shell-shocked to think that this in fact is a crisis and there may be in fact a real difficulty in our land.

It is time for us who have lived so well in this country to put in the hours to see that in fact it remains and can be passed on to future generations.

Because of poverty and because of the way people have to work very hard every day to make ends meet, my constituents are not ones who articulate in long speeches or letters to their member of Parliament how they feel. I would be exaggerating to the House to say that I have had many representations on the Constitution. Particularly among new Canadians I think the House should be aware of the mood of people who come to this country knowing what it means to be in a real civil battle, knowing what it means to have things fall apart. They have a sense of total disbelief that this country with so many resources and so much space has come to this.

I congratulate those on the national scene who have tried to design new ways for us to tackle the Constitution, whether it be in the five constitutional meetings that we have just seen from coast to coast or whether it be in the plans for a national referendum. There are several ways that we have all tried to be innovative and tried to attract the interest of Canadians who do not normally have access to the constitutional process.

People who spend eight, ten or twelve hours a day at $5 to $7 an hour do not have the luxury of participating in this debate. They turn to members of Parliament, not for any final solutions that are going to last forever and ever but for some semblance of order in the discussion and some semblance of goodwill toward the creation of solutions.

Some of the areas on which the people of Winnipeg North Centre have reached a consensus and would like to see people move forward are the following areas. This is the framework for reform that I personally work within in talking about the Constitution. First, an inspiring declaration on the nature of Canada. I think we need a Canada clause. I think we need to state explicitly what we believe in and what we would like to see in this country. Several people have come forward. Professor Earl Mendes has produced a very inspiring document on what a Canada clause would look like. I would encourage all members of Parliament to take a minute out and see the ideas that he presented to the constitutional committee for some insight into a Canada clause.

I think a Canada clause could also be part of a statement dealing with our social obligations as a nation. There are two engines that drive and keep us together. One engine drives us economically and the other one drives us socially. We need both of them, going at full tilt. We need the full commitment of people to make sure that we have an economic agenda. We need to create wealth. We need to put aside some barriers, but we also need to have a social purpose to look after each other, to care for each other. That has to be part of our package. It can be stated in part in the Canada clause.

• (1940)

We need to renew our commitment to the Charter of Rights and Freedoms. No matter what rights are obtained by one province or by all the provinces, the heart of the country rests on the protection of the individual. We have developed a number of democratic institutions to protect the individual.

Canadians and people in my constituency do not want to see that charter in any way, shape or form, weakened by a set of negotiations taking place in 1992.

Third, as I said, we have to strengthen our capacity on the economic side and whether the present proposals have to be put aside for more realistic ones, those who have specific interests have to put their interests aside and acknowledge the fact that we need a more effective economy. Although that language is seen by many to be code words for a different agenda, let us also put on the table that we have been very unsuccessful in the last 20 years in producing the sort of wealth traditionally associated with Canada.

All three parties have tried their hands at governing the country in their own way, or a province in their own way, and I say to each and every one of us that it has not been that successful. Perhaps the rules of the game have to be changed.

We have to deal with institutional reform. I have spoken in the House before about the need for all of us to try to reform Parliament. There is now a royal commission on the electoral process and that has to be reformed. On a number of fronts there is every reason to expect constitutionally and by legislation that we can clean up the way politics is organized in this country and attract new people into the political process.

The division of powers has to be re-established and a number of provinces have different ideas and we heard ideas at the constitutional conference. I think the division of powers has to be settled.

There are issues dealing with the spending power on immigration, on the Supreme Court and on the amending formula. We are heading toward a consensus in these areas.

Let me spend a minute talking about some of the areas which my constituents find difficult and would need to be put forward to the Parliament of Canada so they understand that their words have been listened to and have been presented fairly. There is still a great deal of reservation in western Canada in dealing with a distinct society. There has been an enormous shift in support toward a distinct society for Quebec, but people have reservations because they do not want, by inference, their lives to be considered the opposite of distinct, i.e. ordinary.

We as parliamentarians have an obligation to tell people what is distinct about their lives and what is distinct about Quebec life and why there needs to be a constitutional arrangement to protect those features of Quebec. It is quite possible to do this and I look forward to the resolution of this.

Finally, particularly in Winnipeg North Centre, there is a tremendous concern with the role of aboriginal peoples in the future of this country. The time has come to recognize and support the inherent right to self-government. This is not only dealing with those who have signed treaties with Canada, that is relatively straightforward, but also the more perplexing and difficult questions of how to reorganize urban governments to accommodate aboriginal groups from all backgrounds and from all status which need the support of Canadians elsewhere to develop the institutional support system in order to enhance their lives and to make sure their children have a better life than they had.

The constitutional issue is linked to economic success and economic success is related to social justice. We will bring a better life for all Canadians when we manage to settle the constitutional problems and begin to work on the economic and social agendas which are so dear in the hearts of all parliamentarians.

The Constitution

Mr. Ross Stevenson (Durham): Mr. Speaker, I am pleased to have the opportunity to participate in this special debate because I believe we are addressing the fundamental reason why most of us are here as members of Parliament.

The stated topics for this debate are the constitutional issues and the views of our respective constituents on how they should be resolved. However, it goes much deeper than that. Unless the constitutional questions are settled in a way that is acceptable to most Canadians, there will be some very real doubt about the continuing future of Canada as we know it.

While it may sound unduly sentimental or even mawkish to some, I am not ashamed to state that I wanted to be a member of this Parliament because I love this country, every part of it. I believe in its future and in its enormous potential. In saying that, I believe I am expressing the basic feelings of the great majority of my constituents in Durham and of most Canadians.

Over the past several weeks I have been holding a number of informal discussions with groups of constituents. The Constitution certainly was a topic they raised with me, but by no means the only one. The main concern in Durham is the economy, most particularly jobs. People are worried about employment generally, and about their own job security in particular.

That is not to say that people are not concerned about the Constitution. They are, but they want those who are more knowledgeable about these matters to get the job done so that we can concentrate on bread and butter issues such as the economy, jobs and working toward a society in which we all can enjoy fruitful and prosperous lives.

Like other concerned Canadians, I was encouraged by the Angus-Reid Southam News poll just last weekend. It showed Canadians are moderating their positions on constitutional issues so that national compromise or even a consensus may well be within reach. That poll indicates that die-hard opposition to Quebec's being a distinct society has dwindled to 17 per cent.

That is substantially in line with what I have heard in my own area. Most people accept that Quebec is and always has been different because of the province's language and culture. However, there are some who, while recognizing and wanting to accommodate the difference, are strongly opposed to the phrase distinct society and wish it could be expressed in some other way or in different words.

To constitutional authorities that may seem like a minor difference. However, I must stress that it is an important concern of these people and something I trust the authorities will try to address. The great majority of my constituents in Durham are proud to be Canadians.

It is a constituency with a multi-racial mix, not unlike many other parts of Canada. Some of us have family roots going back prior to Confederation, while others have just become citizens. All generally work together in harmony. I have been greatly impressed by several of the letters sent to me which reflect the considerable thought that these average Canadians have devoted to the Constitution.

I would like to quote a few, not because I necessarily agree with the comments, but because we as parliamentarians should be prepared to convey the wide range of views existing on some issues within our constituencies.

One letter stated: "We must abolish the entire political machinery which at present is destroying the structure of our society". On this same theme, another correspondent argued: "The time of one party winning the election and another party being the opposition belongs in the past".

In his view, we could have six or seven national parties working together for the common good. More than one writer questioned the need for a Senate and asked why it could not be abolished.

On the topic of special status for Quebec, I received this refreshing comment: "What is the big deal? For that matter, give other provinces a wish list too. The most important thing is to stay united as a Canada with 10 provinces and two territories".

It should not surprise you that I also got more than one critical comment about the way that this House conducts its business. One writer put it quite bluntly: "I also believe that the majority of MPs should grow up and behave like adults. If parents were interpreted at home by their children in the same manner as some MPs act in Ottawa, they would be stomped on".

• (1950)

To that quotation I can only add "Amen".

Speaking personally, one aspect of the constitutional discussions I find especially distressing is the me, me, me attitude of many of the groups and organizations that are demanding special deals to serve their own particular interests. While these interests may be legitimate and stem from long-standing grievances, Canadians would be more impressed if their spokespersons displayed a greater desire to serve the common good in preserving our country as a national entity.

On the other hand, it is encouraging that the number appears to be dwindling of those who would welcome Quebec's departure from Confederation, despite the open and covert encouragement this idea receives from certain political groups. Some of these groups are active in my own part of Ontario. These elements suddenly imply that without Quebec the rest of Canada would be one big happy family.

This ignores the fact of Canadian history. Western political protest movements usually stem from a resentment of central domination, and central in such cases translates into Ontario, not Quebec. Without Quebec as part of Canada that resentment would only worsen. We would then have a country in which one province, Ontario, possessed half the population and a major share of the economic power and political clout. How long do you suppose other provinces would tolerate a situation like that?

The people who espouse these arguments offer a dangerously, if not sinisterly, simplistic view of Canada; one that could only lead to further fragmentation and the eventual total elimination of this country that we love.

The people I represent in Durham constituency are proud Canadians. Quebec has always been a part of their country and they want it to remain so. They want the issues before us to be resolved in a way that will make the continuing presence of Quebec possible for now and for all time.

We need a firmly united Canada with a strong central government capable of maintaining the national standards and programs that we cherish, a government which speaks with one voice internationally for the people from all regions and vast territories of this country, and one which will do so for at least another 125 years.

The Constitution

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, over the past couple of weeks I have had the opportunity to attend a number of community meetings which I held in my riding of Okanagan—Shuswap on the issue of the constitutional debate and the future of Canada.

I found these meetings to be particularly inspiring. It was really encouraging to see the turn out, even on a meeting held in Sicamous on a Friday night. Many people came to listen to the issues, debate the various aspects of the proposals and to lend their opinions to the discussions.

I held four meetings over the past little while: one in Falkland, one in Celista, one in Blind Bay and, as I said, one in the town of Sicamous. I am hoping to follow these up with meetings in other communities throughout the riding, as time permits, in Enderby, Armstrong and Cherryville, and hopefully two summary meetings later on in March in Vernon and Salmon Arm.

I want to say that the feeling I have from the meetings and from the discussions that took place was certainly a feeling that seems to have demonstrated or manifested itself in the national polls. There is no question that people throughout the Okanagan—Shuswap, as have all Canadians, have shown an increasing restlessness about the constitutional debate. They have grown weary with what they perceive as being Ottawa's constitutional obsession. They want to move on with their lives, they want to get on with the job at hand, and they want this dilemma, this crisis that we seem to be forever facing, to be resolved one way or the other.

They also want the government to turn its attention to what they see as the most pressing issue nationally, and that is the worsening economy. They want the government to involve ordinary people in the process of governing. In essence, people are seeking a process of empowerment, of change, in this parliamentary and democratic process. There has been a call—certainly it was registered in the meetings I was at—for a more effective Parliament, a more responsible and effective Senate, a more direct voice in the affairs of this nation.

I guess, in short, you could summarize it by saying that people in the Okanagan—Shuswap, and I would suggest most Canadians, have lost faith in the *status quo,* have lost faith not only in this government but perhaps even in the process of government itself.

I want to add that the problem, as I perceive it, has not been so much the failure of Parliament—Parliament trundles along doing its best in the democratic framework that it has been built from—but rather it has been the failure of this very government to rebuild the trust of the Canadian people. I see time and time again evidence that trust was shattered in the midst of the Meech Lake fiasco. The Prime Minister's admission that he had chosen to roll the dice with the future of this nation was in fact for many Canadians, and I would suggest many people in my riding, the last straw. It caused a real shattering in their belief not only in this Prime Minister and this government but in the system itself.

Meech Lake failed not because of any dislike for Quebec whatsoever—I would suggest that would be the last of any reasons—but rather it failed because of a repudiation of a process that excluded the fundamental involvement of the Canadian people. People rejected this kind of executive federalism. They wanted to become involved in a very fundamental way in the process of resolving the issues that the Meech Lake Accord was attempting to address.

Largely as a result of the Prime Minister's handling of Meech Lake, there has been a loss of faith in this government and there has been a loss of faith in the very political foundations of Canada.

I think there is a widespread opinion that the Prime Minister opened a constitutional can of worms with his belief, his dream if you like, that he could finish the work that former Prime Minister Pierre Trudeau could not accomplish, and that was to get Quebec's signature as a full partner of our Canadian family. The current Prime Minister's failure at achieving that process has in essence left this nation paralysed while he attempts to undo the very damage that he has done. Through this endless flurry of commissions, of studies, of parliamentary committees, of more debate, he attempts to correct that damage.

Some of these, like the Spicer commission, I think people have recognized have done some very good work. The recent national forums have also proven to be successful. But the result has been that this concentration, this focusing on the singular issue facing Canadians has essentially paralysed the parliamentary process and has left an utter failure of the government to recognize other serious problems, such as our failing economy.

I think that probably summarizes some of the real concerns. I see my time is very limited and I had a lot more to say on it. It summarizes some of the concerns that people have with regard to the national unity debate.

The 28 proposals are very wide-ranging indeed, and I think that is one of the real difficulties with the proposals. The fact is that there is simply too much on our constitutional plate.

• (2000)

What we are dealing with here when you look at the whole ball of wax is a massive revamping of our socioeconomic structure, the consequences of which are anything but clear. Perhaps the Prime Minister wants Canadians once again to take another leap of faith, as he called it, as we did with free trade. But there are simply too many unknowns.

Speaking on behalf of my constituents, the 28-point proposal is too unwieldy to be resolved within the timeframe we have left. In the final analysis the package is too complex. There are simply too many proposals on the table. The timeframe is too short to resolve all the issues. Forcing Canada to abide by this timeframe, which is dictated by Quebec's call for a referendum on sovereignty, will be to ensure failure.

I think it was the general consensus in the meetings that I held that the government should try to condense the proposals into something that is workable, something that is doable. After all, what is the use in fighting to save the future of Canada? If we do not resolve our economic dilemma, we may not have a Canada left.

Certainly a pared down version of a core set of proposals would stand a much greater chance, I suggest, of acceptance by both English and French Canada. The discussion of the distinct society has to be included as one of those pillars in a pared down proposal; addressing the concerns of our aboriginal people and certainly the question of Senate reform. I think a pared down version of these three pillars would make a lot of sense, something we might actually be able to handle.

In the final analysis, if Quebec really wants to be independent, to establish its own nationhood, in the end that really is for it to decide. Sooner or later Quebec must have its rendezvous with independence. I think it is simply a mark of respect for that choice to permit Quebec to make that decision without English Canada essentially wringing its hands over the fact.

In concluding, if Quebecers want to stand at the brink to get a good look at the economic consequences of independence, I suggest they may well decide to re-examine that possibility. The protection of their language and culture is better assured within Canada than without.

Mr. Al Johnson (Calgary North): Mr. Speaker, this is one of the most important opportunities for me to speak in this House. It is not only because I am speaking on a critical issue, the Constitution, but because it is an opportunity for me to convey to this House directly the recommendations, the concerns, and the aspirations of my constituents regarding this country and its Constitution.

Over the past couple of months I have held three town hall meetings. I have held small home-style group discussions with constituents. I have spoken to constituents individually, and I have done a survey to which more than 1,500 of my constituents responded on issues related to constitutional renewal.

My constituents have often expressed their frustration and anger, but they have been frank, determined and hopeful as they have contributed to the national discussion. I might add that a constituent of mine, Mr. Wilfrid Posehn, attended all of my three town hall meetings and I am pleased that he has made his own, unbiased report to the special joint committee on a renewed Canada. Mr. Posehn is to be congratulated, and I also thank him for the interest that he has shown in this subject and in our country.

I should begin by saying that for most of my constituents the priority issue at this time is that of the economy. They want economic security and jobs that will allow them to be full participants in Canadian society. The Constitution is for most of them a secondary issue. However, there is a grudging understanding of the connection between the stability of this nation and its economic well-being. Consequently, they acknowledge the Constitution must be at the top of our list of priorities.

There is a strong feeling in my constituency that Canadian identity is a real issue in the present constitutional discussions. A sense of identity is crucial if we are to be a fulfilled and prosperous nation. For people in Calgary North, Quebec is very much a part of this national identity. Frustration, however, exists over the concept of distinct society. There is general acceptance that Quebec is distinct and should be considered so on the condition that it does not mean that Quebec is given special privileges that are not granted to others. The general sense is that Quebec has its distinctiveness but Alberta has its distinctiveness too. My constituents believe that Quebec should be given the opportunity to live according to its culture but—and this is the key—this should not mean additional powers. All provinces are distinct and obviously Quebec is most distinct. My constituents are frustrated at the thought that granting Quebec its distinctiveness might mean that it has greater powers at the expense of other provinces. My constituents believe that the principles of fairness and equality should be our guide in renewing our Constitution.

As I mentioned earlier, I conducted a survey of my constituents and was pleased to receive over 1,500 responses. A good part of this survey dealt with the division of powers between the federal and provincial governments. I asked my constituents their views on who should provide social services in general and who should provide particular services, such as pensions and medicare.

My Calgary North constituents were fairly evenly divided on social issues generally, considering for the most part that they should be provided through shared jurisdictions. This applied to medicare. However, 75 per cent of them felt that pensions should be federally administered. Only 15 per cent saw medicare as a totally provincial responsibility and 22 per cent thought it should be an exclusive federal jurisdiction.

Immigration is an area in which a number of people expressed strong views. Some 70 per cent of respondents feel that there should be strong federal control in this area.

One of the most difficult areas that my questionnaire touched on was that of aboriginal rights. From the questionnaire, from written comments and from my public meetings it is clear that my constituents want this issue resolved fairly and justly. Most, some 85 per cent, believe that the aboriginal people should have some form of sovereignty or nationhood within Canada, be it in the form of municipal-like government or at the level of provinces or even more. This having been said, there is also an overwhelming sense that we must make a settlement and get on living together as equal citizens. My constituents want the aboriginal people to be full participants in Canadian society. They do not want them

to be continually ghettoized on reserves or condemned to lives on the welfare rolls.

My constituents have also expressed themselves on natural resources and environmental jurisdictions. Not surprisingly 70 per cent believe the jurisdiction over natural resources should be mostly or exclusively provincial. On the other hand, most, some 75 per cent, believe that environment should either be a joint responsibility or it should be in the exclusive hands of the federal government. This is clearly an indication that my constituents in Calgary North, at least, want the federal and provincial governments to come to a clear understanding on the sharing of responsibility for the environment.

When it comes to agriculture, my constituents see that largely as a provincial responsibility. Some 86 per cent want to see agriculture as either an exclusive provincial responsibility or as a joint federal–provincial responsibility.

I also asked my constituents about the justice system. Although many of the comments did not relate to the constitutional issue but to the Young Offenders Act and extradition, I am pleased to report to my constituents that the Solicitor General and the Minister of Justice have already taken action on their concerns by proposing dramatic changes to the Extradition Act and significant improvements to the Young Offenders Act. In the constitutional area, my constituents were largely in favour of the *status quo* of shared responsibilities for the justice system and law enforcement.

On the all important issue of structural reform, that is reform of the Senate, my constituents are firm in their demand that all provinces be treated equally. They are aware that our constituency has 140,000 people and only one member of Parliament, compared to Prince Edward Island with some 100,000 people and four members of Parliament and four senators. While they may feel that members of Parliament should be distributed as nearly as possible on a population basis, they also feel strongly that each province must be equally represented in the Senate or at least have similar authority through other means such as the changes in the rules for passage of items through the Senate.

• (2010)

On the over–all issue of constitutional relationships some 70 per cent of my constituents really do not want to change things very much. They would like federal–provincial relationships to be left much the same as they are, or they want them to be moderately shifted toward either a more centralized or more decentralized system.

We like Canada the way it is. Only 9.5 per cent of my constituents want a federation of sovereign states and 12.5 per cent want a stronger or unitary state.

There is also a very real desire within the constituency to see the federal government continue to focus on streamlining its operations, to cut the cost of federal services, and by so doing contribute to the competitiveness of this country. This translates to support for economic union within Canada.

Calgary North is a constituency made up largely of families. This community, as do many communities in Canada, sees the family as a fundamental building block of society. It is the foundation of social structure and organization. It is in the family that values and traditions we as a nation hold dear are nurtured.

Given the significance of the family to my constituents, it is important that the family be recognized within the Constitution as an essential part of the make–up of our society. This recognition will ensure that future governments will consider and protect families in all their objectives and endeavours.

The over–all impression I get from the people of Calgary North is that they are Canadian first and foremost. They want all their fellow Canadians to celebrate with them the joy that they find in this great land. They want to live and let live and in this regard they do not mind if others of their fellow Canadians preserve and rejoice in other traditions, languages or cultures. Above all, they want a Canada in which every citizen feels at home and equal.

Mr. George Proud (Hillsborough): Mr. Speaker, it is an honour for me to rise this evening to speak on this very great issue that we are talking about these last number of months.

Canadians face many challenges on many fronts today: the economy, the environment and the Constitution. At no time has the need for national unity and consensus on Canada's future been greater.

127 years ago the Fathers of Confederation gathered in Charlottetown to transform their shared values, ideas and dreams into a vision and that vision into the framework for a country, a country that is the envy of many nations throughout the world.

We now face a new challenge: that of reforming our Constitution to ensure the responsiveness of our institutions of government to the social, the economic and the political realities of Canada as we approach the 21st century. I feel it is important that we keep apprised of issues at hand and of the ideas advanced by our constituents in order to strengthen national unity through a framework of constitutional reform.

My constituents' vision for the future is inspired by a number of practical realities about the nature of Canada. They believe that all Canadians share a desire to live together in a federal state based on common values and principles. Let us not throw away those things that we have been able to achieve.

Let us continue to pay heed to the different languages and the ethnic groups in this country. My constituents have a strong attachment to the preservation and the strengthening of fundamental rights and freedoms. While remaining sensitive to the issue of collective rights, my constituents believe that the Charter of Rights and Freedoms must continue to have primacy over all federal and provincial legislation.

Constitutional amendments should not reduce the primacy of the charter. The people of Hillsborough believe that we must strengthen our economic union. It is essential to Canada's existence as a federal state that the full benefits of unrestricted mobility of people, goods and capital be assured by the basic laws governing the country.

We must continue to develop internationally competitive products, services, technologies and strategies responsive to the demands of globalization. I have heard repeatedly that we must achieve practical measures which fully integrate Canada's regions and the decision and policy making processes at the national level.

A reformed Senate which is elected, which is effective and has a more equitable distribution of seats is an essential element of constitutional reform and a mechanism to ensure that the aspirations of Atlantic Canada and of western Canada are given the fullest consideration.

Such a Senate could have the power to examine appointments to important federal institutions and agencies and it could protect the rights of minority language groups.

As we talk about the reform of the Senate, we must talk about the changes in it that we would like to see happen. I also believe that this Chamber, the House of Commons, is in need of reform. This institution, which is the highest court in the land, must play a vital role in all aspects of our society. I believe this institution must work, that every member of this Parliament must have a say in the way that legislation proceeds, in the way that legislation starts out and in the way that legislation ends up.

It is time that this institution becomes the institution that I envisaged many years ago, that we are law-makers and that the laws are not just passed down from the executive branch, but also come from this part of the Parliament as well. I believe there is room and it is needed in this day and age. I certainly believe that we must change this House so that it becomes a greater working institution. If it has to become more like the U.S. Congress then so be it, but this will make it a better institution for all Canadians.

Of course, constitutional renewal means a realignment of powers. The fundamental principle guiding the process of renewal must be that legislative powers reside with the level of government that can handle them best. We must adopt a functional approach. The essential focus must be an arrangement which best serves the needs not of governments, not of bureaucrats, not of politicians, but of the people. Any new arrangement must ensure the flexibility to meet the changing demands and the challenges of the future.

In many areas the federal and the provincial governments should be able to legislate in a complementary manner. For example, in the area of the environment the federal government should be able to pass framework legislation stipulating national standards, leaving it up to the provinces to adapt these national standards to regional and provincial realities, and a similar approach where the federal government enacts national framework legislation so that the provinces have operational and administrative flexibility. This could resolve current

problems with manpower training and regional development.

This functional approach would significantly reduce duplication and would provide for efficient public administration.

There must also be restrictions on the use of federal spending power within the areas of exclusive provincial jurisdiction.

The problem in the past has been how to reconcile the limitation of the spending power with the need for national standards. With a functional realignment of powers, it becomes possible to achieve a constitutional limitation of the federal spending power without compromising national standards.

With respect to immigration, an administrative agreement now exists between the two levels of government and that arrangement should now be constitutionalized.

As the Supreme Court of Canada is becoming increasingly a constitutional court of law, it is reasonable that the provinces have greater involvement in the appointment of judges to that court. We should be able to develop a mechanism to break deadlocks in the future.

Any framework for reform must address outstanding native issues. There is a broad consensus and understanding in Canada of the need to deal with the status, the rights and the claims of aboriginal peoples. The process for amending the Constitution must also be addressed.

An enshrined amending formula would enable Canada to get on with the problems with the economy and other issues affecting it. Furthermore, I strongly believe these proposals for constitutional changes must be brought to the Canadian people for their consent and approval.

• (2020)

For this purpose the Liberal Party proposes a national referendum comprising two questions. The first would be on the substantive elements of the constitutional reform package and the second would deal specifically with the amending formula.

In conclusion, my constituents feel that it is now incumbent upon the government to table a detailed and concrete proposal. They also feel this country is big enough for all Canadians and we look forward to the day this Constitution and the amendments become a reality.

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, I appreciate this brief 10–minute time slot to set out on the public record what the majority of the people in the Lethbridge federal riding have told me concerning the constitutional resolution in Canada in general.

I am sorry it is only 10 minutes but after the government caucus and cabinet have put forward the final resolution for consideration in this House I hope to speak for a much longer period, setting out my personal views.

Like other members I have received many hundreds of letters and telephone calls and have spoken to many dozens of people concerning the issue that is before us today and has been for the past few months.

Prior to Christmas 1991 the Lethbridge Chamber of Commerce sponsored a public meeting in the city of Lethbridge and many people participated. I published before Christmas a full householder on the federal proposals and got many worth–while and useful replies. As well I have spoken to many groups: church groups, Kiwanis Clubs, Rotary clubs, and other service clubs throughout the riding.

What can I safely report? There is a a minority out there which tends to believe the myths and the half–truths that are fed to them by special interest groups and certain parts of the media in Alberta. Tonight I speak for the vast majority and they speak very loudly and clearly on a number of points.

First, they understand far more than we generally give them credit for and while many of them admitted they did not know all of the details about our history and details about complex issues that you and I deal with every day, I am satisfied that they know the effect of globalization. They understand the implications of Europe and its coming together. They understand the implications of Asia and its coming together. They understand the impact of the yearly deficit and the national debt. They understand clearly and are very

much agitated by the continual tug of war between the federal level and the provincial level.

Second, Canadians are ready, willing and able to face the reality of our problems. They want, indeed they demand that we people in public office, whether municipal, provincial or federal, and that business and labour stop this stupid fighting that we get ourselves into, this tug of war for turf, and that we settle down to some very serious problem solving.

Third, they know very well that they together have created one of the most prosperous, peaceful, tolerant and stable nations in the entire world. We did this in spite of a very harsh climate, with an incredibly small, diverse population spread over 8,000 kilometres. They also know from talking to other people that others around the world see us as being an absolutely first rate model on which to base their own societies as they try to balance the cultural, historic, ethnic, and religious differences.

Fourth, they understand very well that as the world becomes more integrated and competitive we must speak with one clear voice or we will be lost among that host of small ineffectual nations in the world.

Fifth, they understand that Canada depends upon world trade more than almost any other industrialized nation. I have since learned from other reading that we are second to Germany in that respect, and that if we split up we will have no meaningful voice to promote sensible international rules and dispute resolution mechanisms.

They understand very well the law of the jungle and they do not want to have any part of it.

In the time remaining, I would like to read into our *Hansard* certain parts of an address given at the annual Royal Bank shareholders meeting by Mr. Allan R. Taylor, its chairman and CEO. His address is entitled" "March of Folly" in recognition of the eminent U.S. Historian, Barbara Tuchman.

On page 2 he states:

> Marches of folly are made possible by the existence of dangerous delusions. It is the delusion that a national break-up would involve only minimal costs that risks sending Canada down this road of irreversible folly.

And on page 3 he continues:

> Most lethal of all is the assumption that the departure of Quebec would resolve our difficulties. That it would solve the challenges facing Canada; that it would solve the problems of Quebec; that it would solve the problems of west; that it would redress the wrongs done to our First People.
>
> This is only one of the dangerous delusions that beckon Canadians down the march of historic folly.
>
> What Canadians should be asking themselves first and very explicitly, is whether disunity is the answer to the challenges we face.
>
> Do we really need to blow Canada apart to meet Quebec's historic concerns? Quebec is a unique cultural island of 6 million French-speaking people in an ocean of 270 million people working and living in English. Quebec is a distinct society. Do we really need to destroy Canada to recognize and protect that reality? I say no.
>
> Do we really need to blow Canada apart to understand and address a deep alienation in the west where many people believe that our national institutions are dominated by a deaf and unfeeling eastern majority? Do we really need to destroy Canada to recognize and correct that concern? I say no.
>
> Do we really need to blow Canada apart to meet the deep-felt concerns of people in Atlantic Canada? Do we have to destroy Canada to solve their very real structural economic problems? I say no.
>
> Do we really need to blow Canada apart to give the First Nations the powers to participate directly in determining their own destiny within Canada, rights they have been denied for too long? Again, I say no.
>
> Do we really need to blow Canada apart to address the vital need for greater harmonization of federal and provincial policies and cutting the wasteful duplication of costs?
>
> That separation would be relatively easy and without cost is not just a dangerous delusion; it is a real world impossibility.
>
> It is my estimation that, the costs of a break-up would be huge and long-term and paid by everyone in Canada, here in Quebec and in every other province and territory. No one would escape lightly; no one would fair well.

I could go on for many minutes on this, but I think just in closing I would say, again from Mr. Taylor, and I quote:

> In this anniversary year we should be celebrating our achievements. Canada which has so much promise is 125 years old. Montreal, a living example of how people of different cultures can live together in peace is 350 years old.
>
> Canada's accomplishments are widely recognized, at least by others.
>
> I point to the report of the UN Development Program and it rates countries in terms of economic prosperity, longevity, living standards, gender equality, racial equality, distribution of income and human freedom.
>
> In 1991 Canada ranked second from the top in the whole world on this global scale of the quality of life. That is what is threatened by separation.
>
> That is what we stand to lose by separation.

> Are we perfect on all of these? By no means. But we are so high on all that observers abroad can only shake their heads and ask: Do Canadians not realize what they are risking? What they could lose. If this Canada is not worth saving, what country is?

Well here is one Canadian, a son of Saskatchewan who cares passionately about keeping Canada together from British Columbia to Newfoundland, and Quebec is part of my Canada.

• (2030)

On a personal note, I would say with the brevity of a business leader he summarized exactly how I feel. As a third generation Albertan, I must say I agree with him 100 per cent.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I am honoured to rise today to give this House a report of the discussions I have had with my constituents on the subject of the Constitution.

Throughout 1991 I was able to consult the residents of my riding on several occasions. The initial consultation involved a constitutional questionnaire which was distributed to each of the approximately 80,000 households in York North. I am pleased to table the results of that questionnaire in this House.

This was followed by town hall meetings held in Aurora, Richmond Hill, Oak Ridges, Maple, Woodbridge, Thornhill, Nobleton, Kleinburg and King City, all communities in my riding.

The Constitution was discussed during my visits to the homes of the constituents, and finally a special constitutional forum was held where the guest speaker was the Official Opposition constitutional critic, the hon. member for Papineau—Saint-Michel. Throughout this process, whether it was in response to the questionnaire or at the different community meetings and town hall meetings, I found that the citizens of York North cared deeply about their nation and wanted to play a role in reforming their Constitution. The reaction at all levels was enthusiastic. If there is one fact that impressed me more than any other, it is that the people participated in such great numbers.

My constituents spoke out strongly on many different elements of the Constitution. Their views revealed a patriotic love for their country and a determination to preserve it for their children.

The picture painted by the results of my consultation with the people of Canada's most populous riding contains a number of striking characteristics, namely, a strong endorsement of our bilingual, culturally diverse and aboriginal heritages; a reformed, elected Senate; free economic trade between provinces and territories; and the preservation of a strong national government with shared powers for the provinces.

In discussions I held people came forward with strong opinions but also with open minds. That openness gave many of my constituents the chance to better understand the special needs of Quebec, the western provinces, aboriginal Canadians and other groups. As a result we all have a greater understanding of ou r Canadian reality.

The need for communication is ever present in the current debate. As the government's regional conferences on the Constitution have indicated, face to face exchanges between people from different regions is the most effective remedy for the ills of parochialism and stereotyping.

Throughout the constitutional consultation process, the residents of York North demonstrated that they are understanding and generous people, that then are willing to compromise to advance their principles but will never compromise their principles. They are guided by a set of high moral standards. For them, the eventual constitutional package must fairly reflect and address the concerns and preoccupations of Canadians from coast to coast to coast.

My constituents understand that to build a harmonious nation, we must all co-operate and subscribe to the politics of accommodation.

The residents of York North are excited by the possibility of a new constitutional contract and hope that we will be able to arrive at a meaningful and responsible accord in the very near future. I say in the very near future because there is no question in my mind that the people of York North, like most other Canadians, are suffering from constitutional fatigue. They want the constitutional issue resolved so that governments can turn their attention to other challenges which potentially threaten the long-term health of this nation.

The citizens of my riding realize that over the last decade the Constitution has occupied centre stage in this nation's political discourse. In that time our competitors around the world have been forging partnerships, developing markets for their goods, adopting visionary training policies, and investing in their infrastructure and the environment.

The people of York North understand how fast the world is changing and are ready to deal with that change. They realize that trade barriers are coming down all around the world and they expect Canada to follow suit. Support for the principle of free movement of people, goods and capital was, for all intents and purposes, unanimous. My constituents know that Canadians will not win any trade wars outside our borders until we stop fighting trade wars inside our borders.

When we finally complete our constitutional puzzle, we will have a lot of ground to make up. We must realize that we will only make it up through concrete action.

York North residents are eagerly awaiting the challenge. Through our discussions, we all agree that a constitution must be supported by a government with vision. What this nation needs now more than ever is a government that has a realistic plan for improving the quality of life for its citizens and the political will to carry it out.

In the end, a Constitution tells us what we can be. Only men and women with imagination and conviction can bring that ultimate goal to reality and to fruition.

York North residents realize that Canada was founded on compromise. In 125 years, that has always been the source of our greatest strength. Now more than ever it is important for Canadians everywhere to put the demands of their specific interest groups in proper perspective and think of the common good.

It is extremely important to defend the needs of women, aboriginals, visible minorities, the disabled, youth, and every single Canadian. We all realize that the ultimate interest group in this constitutional talk to which we all belong is Canada.

In the present debate, groups and individuals must realize that sometimes it is necessary to sacrifice a little in order to gain a lot. The preservation of this great nation is something worth fighting for.

In conclusion, I would like to say once again how pleased I am to stand here today and share the opinions of my constituents with this House. I, like them, am confident that we are approaching the long hoped for solution to the constitutional puzzle.

There is optimism in York North, and I know that Canadians everywhere are counting on this Parliament to come up with constitutional proposals that will reflect the aspirations of the nation. When we look at other nations, we cannot help but be grateful to live in this peaceful, prosperous country.

The realization that we are blessed teaches us to respect the opinions of others and to make allowances for the special needs. The land is strong, and its people have big hearts. Our history shows us that there is room for everyone here as long as everyone respects each other and gives each other a chance to prosper.

It is with that thought, it is with that progressiveness and fairness that I am convinced that we will guarantee the survival of this nation.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I do not know how much longer we will have to keep talking to convince you that you have heard all of the arguments that are possible regarding the Constitution.

I want to take this time to thank the government for giving us this privilege over a series of evenings to talk about what has happened in our ridings. I want to report to you, Mr. Speaker, and to my colleagues a meeting we held in Woodstock in the constituency of Oxford two weeks ago tonight, February 3. My provincial counterpart, who belongs to a different political persuasion than I do, and I agreed that this was an issue that should be non-partisan and we agreed to work together on this. Kimble Sutherland, the local MPP for Oxford, and I approached the president of the Woodstock Chamber of Commerce, Mr. Robert White, a lawyer in Woodstock, who was very interested in recommending to his colleagues that they sponsor a public meeting where people from all across the riding could be heard. They in turn approached the recently arrived publisher of the *Woodstock Daily Sentinel Review*, the local daily newspaper, to see if he would chair the meeting. He agreed and did a superb job, bringing to it a kind of fellowship and jovialism that was very helpful in keeping people working together and on the subject.

• (2040)

Interestingly enough, he is a new Canadian, having achieved his Canadian citizenship in 1967. In his opening comments he said: "I think Canada is the number one place to be", which set the stage for the evening.

There were some general impressions which I would like to report to the House at this time. First of all, we thought we might get somewhere between 30, 40 or 50 people to that meeting. Instead we had a full house of somewhere over 130 people. There was standing room only in the room that we had acquired for that purpose. These people included students and senior citizens, business leaders, labour leaders, farmers, housewives, professionals, a cross-section of our society in our area.

I have to report also that there was an obvious sense of change in the mood, which we see across the country as well. People were softening from some of their hard positions. There was a willingness to compromise and to recognize the distinct nature of the Quebec society and so on. Without a doubt, the majority of those who were in attendance wanted to see Quebec stay in Confederation.

Just a word about who spoke and what they had to say at that meeting. Let me begin by repeating for you what Susan de Ryke, who was reporting for the *Woodstock Daily Sentinel Review*, said as she observed about how the meeting went. She said: "They spoke from prepared speeches, notes jotted down on envelopes and from the heart." That sort of gave you a good feeling of how people approached the subject.

Many issues were touched upon, a few of which were somewhat remote to the constitutional subject at hand, but one expected that to happen. Virtually everybody who attended that meeting was able to speak. In fact, 29 did speak and the meeting went on until nobody else indicated that they wanted to say a few words. The meeting went on for somewhere over two hours.

Bob White, whom I mentioned before, is the president of the Chamber of Commerce and also a lawyer. When he gave his remarks he said: "You fear what you do not know and we do not know Quebec". I think he expressed the views that we have come to realize, that when you do not know about something, you do not know about a people, you have reservations and apprehensions. I think those are beginning to break down as we hear each other talk more and more.

One gentleman who spoke was Mr. Earl Shea who was born in Quebec and married a French speaking girl whose history goes back to 1556 in Quebec. He is a local businessman in Woodstock. He is also the past president of the Woodstock Business Improvement Association and he is currently the president of the Rotary Club of Woodstock. He felt that there was a real need to keep Canada together, that there was a need to understand each other, and that those are some of the requirements of having the kind of unity that we want to have.

Another interesting speaker among the 29 was Mr. Les Cook, a retired postal worker and a former mayor of the city of Woodstock. He thought some of the malaise in the country with respect to the Constitution was probably due to the lack of confidence in both levels of government brought on by a weakening of some of our traditional values. He went on to say: "No one has the right to advocate break-up of their country".

Joan Denew, president of the National Council of Women in Canada, with a long history in this country, expressed some concern that Canadian women are worried about the fate of their social programs, and that was a comment we heard from two or three people.

A number of the witnesses wanted recognition of the rights of self-government for our aboriginal community. Matthew White who is a part-time student said: "I just don't think natives are getting a fair shake in Canada". He also agreed with the need to recognize the distinct society in Quebec.

A small number of people expressed concern about official bilingualism and the sign law. Within a large group we can expect to have a few that indicate those concerns as well.

With respect to the Senate there were a lot of views brought to the meeting regarding how the Senate should be changed, reforms in the Senate. The odd person wanted to have it abolished. Some wanted special seats for the aboriginals. Others wanted special seats for certain groups of people, sectors of society. I felt very sympathetic myself with David Irving of the town of Norwich who expressed the fact that we needed to have regional representation in the House. Personally I would support that.

Indeed I am a bit of a maverick. I would feel that we should keep the Senate the way it is now, only have it more regionally represented but by appointment so we have representation from all political parties that are governing in the provinces. At one time a few years back we had five different political parties in power in the provinces, only two of which were represented in the House of Commons.

We also heard from Graham Hart, a leader in the agricultural community. He expressed some disappointment in the fact that the Meech Lake Accord was not adopted. He wants to see us go ahead and not be

side-tracked by too many other issues such as the social charter.

Toward the end of the two-hour session, a student by the name of Matt Brown offered a very interesting perspective on the national dilemma which we have here. I am quoting from his comments. He said: "Canada did not come together because it wanted to but because it needed to. The provinces came together to protect themselves from the states. If we keep bickering we will be all by ourselves again".

There were several others, including Peter Hayes, a high school student and president of the student council at the Huron Park Secondary School in Woodstock, who felt that too many minority groups were hoping to have their views carry the day, as it were, and suggested that those who yell the most sometimes are not the ones who come out to vote when the time comes for elections.

In summary, I say that there was an over-all plea for more awareness and a better understanding among all of us that was voiced at this meeting we had in Woodstock, something that I think we all need to heed.

We are having another meeting later this week in the town of Tillsonburg which will be the same. I will be interested to report to the committee following that meeting.

Just in conclusion may I say that I cannot sum up what happened at this meeting we had in my constituency of Oxford any better than was done by Cheryl Clark-Cowan from Woodstock who wrote in the *Norwich Gazette*, one of the weekly newspapers in the constituency. I am quoting her comments when she said:

> The end of the meeting brought a group hug of sorts from the capacity crowd. For as one speaker noted, although nothing concrete was accomplished from the two-hour session, it did bring those Canadians present a little bit closer together.

If there was one thing these meetings across the country have done, it is to bring Canadians closer together, help them to understand and be aware of other people's feelings. Hopefully that will lead to an understanding that will translate into the proposals that will be emanating from the government in the near future as far as our future Constitution is concerned.

The Acting Speaker (Mr. Paproski): There being no further members rising for debate, pursuant to order made Friday, February 14, 1992, this House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 8.48 p.m.

HOUSE OF COMMONS

Tuesday, February 18, 1992

The House met at 10 a.m.

Prayers

PRIVILEGE

PAEDOPHILIA

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I rise on a point of personal privilege.

I read an article in the January 27, 1992 issue of the *Western Report* on the subject of paedophilia and incest. In that article certain so-called academics offered their views that incest and paedophilia were perfectly acceptable.

Its contents so disturbed me that I felt compelled to bring it to the attention of members of Parliament and senators as I have done in the past in relation to other issues. The next day I wrote a short letter and attached a copy of the article in question. I asked members to read and reflect on its contents; no more, no less.

In the intervening days it has become apparent to me that my letter has been misinterpreted by some. Meanings have been attributed to the letter which I did not intend. I regret that I may have in some way offended some members and senators or members of the public. I am dismayed that I was not able to articulate myself in a manner which was clear to my fellow parliamentarians.

I did not state, I did not intend to state, nor did I intend to imply that homosexuals are child molesters. I do not equate paedophilia with homosexuality. There are heterosexual paedophiles and there are homosexual paedophiles. In fact the criminal mentioned in the article had assaulted children of both sexes.

• (1010)

In conclusion, let me say that I regret the pain any misunderstanding I may have caused any person in this Parliament or outside it. I feel for the plight of all of those in distress in our society.

Thank you, Mr. Speaker, for giving me this opportunity to make this statement.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 30 petitions.

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

* * *

PETITIONS

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour and a privilege to present a petition on behalf of a number of residents of Blue River, Birch Island, Clearwater, Vavenby, Little Fort, as well as the rural areas of the North Thompson Valley. This is now the 67th petition I have presented in the House of Commons on this issue.

The petitioners pointed out that Multinational Resources, a company on the Vancouver Exchange, has announced its intentions to dam the North Thompson River at Valemount and divert part of the water into a number of trenches and canals in order to sell the water in the San Diego, California region.

They point out that this is one of the many proposals such as the Nowapa Plant to divert Canadian rivers into the United States and northern Mexico. They are asking

that the Government of Canada state categorically that we will not permit our fresh water to be dammed and diverted into the U.S. and state very clearly to the United States authorities that Canadian rivers are not for sale.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 194 will be answered today.

[*Text*]

Question No. 194—**Mr. Saint-Julien:**

Did *Radio-Canada* employees travel to Paris in November 1991 to attend the *Sommet de la Francophonie* and, if so, (*a*) how many employees went and who were they, (*b*) how much did lodging cost for each employee, (*c*) how much did air travel cost for each employee and what class did they travel on (First, Business, Economy), (*d*) how much did car rentals cost, (*e*) how much did food cost, (*f*) what was the cost in overtime, (*g*) what was the total cost of the event paid by *Radio-Canada*?

Hon. Henry Perrin Beatty (Minister of Communications): This matter has been brought to the attention of the Canadian Broadcasting Corporation (CBC). We are informed as follows:

CBC *Société Radio-Canada* covered the *Sommet de la Francophonie* in its entirety between November 16 and 23, 1991. Coverage of the *Sommet* included specials, radio and TV news reports, analyses and interviews with experts on current affairs programs. Furthermore, the material accumulated during the coverage was used to feed public affairs programs on televison and radio.

(*a*) The French radio network used six persons for all its programming (news and news specials, current and public affairs) namely:

The main host (anchorman) for special programs and journalist/presenter for major radio newscasts, a coordinator to look after sound material and report needs, a producer, a reporter in Ottawa, a parliamentary reporter form Quebec City and, finally, the host of *Les Actualités*.

The French televison network used 20 persons for specials and information programs. They were:

From Montreal: the host of *Téléjournal*, two producers, a production assistant, a journalist, a researcher, a technical director and a camera operator; from the London office: a producer, a correspondent, a camera operator, a sound person and an editor; from the national Ottawa office: a journalist, a camera operator, a sound operator and an editor; from Quebec City: a journalist; form Winnipeg: a producer and a technician.

(*b*) Parliament has not, as a matter of custom since the corporations's creation in 1936, required CBC to supply, in answering Parliamentary questions, certain details of its internal management and administration. Parliament has had two reasons for following this custom: first, the independence of the CBC as a Crown corporation, established for the purpose of producing and broadcasting, independently of political or commercial interference, programs for a national program service; and secondly, the competitive nature of many of CBC's activities.

The appropriateness of the CBC providing certain categories of information has been considered on many occasions by various parliamentary committees and when the CBC has suggested that such information should not be made a matter of public record, its views have been accepted by them. The names of employees and their functions in relation to specific programs, their salaries or expenses, the costs of individual programs, or business arrangements are examples of details which it has not been customary to require the CBC to supply. It is open to Parliament and its appropriate committees to discuss the policies and the CBC have followed in this regard.

(*c*) All these CBC/*Société Radio-Canda* employees travelled economy class, with the exception of two employees who travelled business class to Paris and returned economy class. Their departures, scheduled originally for November 13 and 15, respectively, were delayed until Saturday, November 16, because of the special program on the funeral of Cardinal Léger.

For travel costs, see response in (*b*) above.

(*d*) No cars were rented. However, the television crew rented a van with a driver for the duration of the *Sommet*.

For the rental costs, see response in (*b*) above.

(*e*) See response in (*b*) above.

(*f*) See response in (*b*) above.

(*g*) See response in (*b*) above.

[*English*]

Mr. Speaker: The question as enumerated by the parliamentary secretary has been answered.

Mr. Cooper: I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

ATLANTIC FISHERY

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I would like to request an emergency debate on the issue of the unfolding disaster in the Atlantic fishery. I make my request under Standing Order 52.

Your Honour will be aware that we are facing a crisis of unprecedented proportions with immense implications for jobs and so on. I hope you would find it possible to grant my request for a debate under Standing Order 52.

SPEAKER'S RULING

Mr. Speaker: I have of course been paying attention to this matter. The hon. member has indicated to me, as he is required to do, that he wishes to raise this matter. There will be a debate on the issue tomorrow night commencing at eight o'clock p.m.

GOVERNMENT ORDERS

[*English*]

SPENDING CONTROL ACT

MEASURE TO ENACT

Hon. John McDermid (for the Minister of Finance) moved that Bill C–56, an act respecting the control of government expenditures, be read the second time and referred to Legislative Committee E.

He said: Mr. Speaker, I am pleased to have the opportunity to speak at second reading of Bill C–56, the spending control act.

The motion today is a very important one. As the Minister of Finance and I have pointed out on a number of recent occasions, the pre–budget consultations we had with organizations representing every sector of Canadian society have had one clear and consistent focus, that is the strong desire among Canadians for continued spending restraint by government, a lower deficit and greater assurance that taxes can be kept within bounds in the future. In those pre–budget consultations that is what came from every group from all walks of life. With this measure that we are debating today on second reading, we are responding to that firmly and clearly expressed desire by Canadians.

I would like to explain briefly what the spending control act will do and to place it in the context of the government's comprehensive plan for economic recovery. As hon. members are aware, the government announced its intention to introduce mandatory legislated spending limits in the February 1991 budget and draft legislation was released last summer.

The Standing Committee on Finance of this House conducted extensive public hearings on the draft bill and then its report came forward with a number of recommendations. I would like to take this occasion to thank hon. members of all parties for their useful consideration of the finance committee's study of the bill and to thank the many Canadians who appeared before that committee to offer their views and to give advice to the Government of Canada.

I might say as an editorial comment that it may be wise for the government and for the opposition parties to take a look at the possibility of pre–examining bills more often. It probably produces better legislation and much better debate in the House of Commons. This bill is an example of that, because we have made some changes as to the suggestions of the committee and witnesses who have appeared. We had an opportunity to air this bill before it was brought back to the House in its present form.

As I said earlier, the spending control act is a vital part of the government's commitment to build a stronger Canadian economy by controlling the deficit and the heavy burden of the public debt. The act will limit federal government program spending through to the year 1995–96, and this means all spending except for major self–financing programs and interest charges on the public debt to the levels set out in the fiscal plan brought forward in the February 1991 budget.

I want to emphasize that this is not a stand-alone measure. The spending control act will reinforce the government's expenditure control plan introduced in the 1990 budget and now being extended into the mid-1990s. It will work with the debt servicing and reduction account, which will receive all net revenues from the goods and services tax to ensure that our medium term deficit and debt reduction goals are achieved.

In my work in my riding and across this country I have heard from countless Canadians who have said that the debt servicing and reduction account is a very important thing, that the goods and services tax money must go into that fund, which it is by legislation, and be accounted for to the people of Canada. That is going to happen. Although people do not like the goods and services tax—no one likes taxes—they will feel somewhat better about it if they know that it is in fact going toward fighting the deficit.

All these measures will reinforce and be reinforced by another key initiative, that is the setting of low inflation targets that are helping to reduce inflation, and as a result bring interest rates down. This act will assure the fiscal restraint that is essential to keep our inflation targets in line. We are not only meeting our inflation targets but in fact doing much better than was projected. This in turn is the key to durably lower interest rates that will encourage investment, sustainable economic growth, and job creation.

• (1020)

I am pleased to note that the crucial importance of reducing the public debt as a share of our national income is supported by the Standing Committee on Finance.

In the 15 years before this government took office program spending had been increasing at an average annual rate of 13.8 per cent, or nearly 6 per cent after discounting for inflation. As a percentage of the economy, program spending rose from 14.8 per cent in 1968-69 to 19.6 per cent in 1984-85, a higher level than at any time since World War II.

We are now paying the price for these free-spending years. The increase in program spending during this period is the major factor behind the high annual deficits and the build up in the public debt that limits our room to manoeuvre today. That is why from the outset we have given first and continuing priority to spending restraint in controlling the deficit.

Between 1984-85 and 1990-91 program spending increased by only 3.6 per cent per year, well below the rate of inflation for that period of time at 4.4 percent. We have cut program spending in real terms. As a percentage of the economy, program spending is back down to 16 per cent, a level that we have not seen in 20 years.

This restraint in program spending has been the major factor that has allowed us to achieve a turn around in the government's operating balance from an operating deficit of $16 billion in 1984-85. In other words, we borrowed $16 billion just to pay for programs of that day in 1984-85. That has been turned around today so that we have a surplus of $11.9 billion in 1990-91. In other words, we are collecting almost $12 billion more than we are spending in program financing.

It is important to note that more than two-thirds of this improvement in the operating balance as a percentage of gross domestic product is due to restraint in program spending.

As a result of the turn around in the operating balance, every dollar of our current deficit simply goes to pay interest charges on the public debt. It is not lost on Canadians, I might say, that these are dollars that could otherwise be used to ease our recovery from the recession, to fund desirable programs or most important for Canadians, to reduce taxes.

Although some members of the finance committee seem to question the need for this legislation, the majority of witnesses supported the view that continuing firm control over expenditures is essential to ensure that the deficit is reduced and the public debt declines as a percentage of the economy.

The spending control act will give Canadians the assurance that Parliament shares this view and will demand continuing discipline from the government.

The act breaks new ground by providing an important new mechanism to reinforce and if necessary to enforce the kind of spending restraint that Canadians want.

The allowable limits will be the program spending projections in the February 1991 budget. With limited exceptions, overspending would have to be offset by a program of spending reductions. Neither increased bor-

rowing nor tax increases would be allowed to make up for any excess spending.

If spending limits are exceeded, the Minister of Finance must announce before or in the next budget how the excess would be recovered. A budget that is not consistent with the spending control act could not be presented unless at the same time legislation is presented to amend the act.

Mr. Milliken: Exactly.

Mr. McDermid: I'm glad my friend from Kingston and the Islands agrees with that.

These provisions provide for considerably tighter control of spending than comparable legislation in the United States, either the 1990 Budget Enforcement Act or its predecessor, the Gramm–Rudman–Hollings act. I would like to now discuss our responses to the finance committee's recommendations. I think this is very important.

The committee recommended, for example, that the spending control act should be subject to suspension by a vote of Parliament during a period of economic downturn or recession, or on presentation by the Minister of Finance of a projection of a downturn or recession.

However, the government does not believe that such an amendment is necessary. Under our parliamentary system the proposed act does not and cannot override the supremacy of Parliament.

The spending control act may be amended at any time in whatever circumstances Parliament deems appropriate. I would add that history has taught us that governments cannot spend their way out of recessions. This certainly was the lesson of the early 1980s.

I must say once this act does take force and becomes legislation that any government that would come in and amend this act would have to have some pretty good reasons to do so in presenting it to the Canadian public. It would have to be able to explain very clearly why it would be amending this act.

The way to stimulate economic activity is to maintain tight spending controls. There is no question about that. The message we got from groups and individuals across this country was: "For heaven's sake maintain your spending up there. Maintain that tight control on spending". It will return the fiscal position to a better balance, allow interest rates to decline, and keep present and future tax burdens down.

In any event, the spending control act does not constrain the main economic stabilizer in our economy, the unemployment insurance account.

The committee also recommended that the government establish very strict criteria to define the concept of eligible self–financing programs under the act. We believe the definition of self–financing is well established and full accounting is already provided in the public accounts.

Nonetheless, to provide greater assurance we have decided to specifically limit the number of self–financing programs that will be exempt from the act to the four proposed in the draft legislation. They are the unemployment insurance account; our farm insurance programs; the agriculture commodity stabilization account and the crop reinsurance fund; and the Gross Revenue Insurance Program.

On the other hand, we cannot accept the committee's recommendation that the major transfer of programs to the provinces should similarly be exempt.

Taken together the three major transfer programs, Established Programs Financing, equalization, and the Canada Assistance Plan represent 20 per cent of program spending or $23.1 billion in 1991–92.

To exclude these transfers from the spending control limits would seriously undermine the credibility of the act itself and this we propose not to do.

It might be interesting to know that if we exempted the transfers to the provinces the bill would only cover 65 per cent of program spending when in fact with the provinces it covers 85 per cent of program spending.

In another area the draft bill provided that any overspending in one year could be made up in future years covered by the act.

The committee, however, felt that this was too open–ended and recommended that overspending in any one year be required to be made up in the following year.

While this may be desirable in theory, a one year catch-up rule could be quite disruptive for fiscal planning and operations management.

Instead, we have amended the act to require catching up within two years. This will ensure greater certainty without jeopardizing operational efficiencies and is a fair compromise to the committee's recommendation.

Another recommendation of the committee concerns the role of the Auditor General.

The committee recommended that he should specifically be given responsibility to monitor and report on the government's compliance with the act.

The committee suggested that this was all the more logical since the Auditor General had already been asked to audit and report on the proposed debt servicing and reduction account act.

To ensure consistency with the debt servicing and reduction account act, the government is prepared to clarify the role of the Auditor General in the case of the spending control act.

Accordingly, the revised bill will require that the government report on the act in the Public Accounts of Canada and to ask the Auditor General to report on the government's compliance with it.

Finally, there is the question of what happens after 1995-96 when the spending control act would normally expire.

• (1030)

As I have already indicated all overspending will need to be recovered under a two year catch-up rule. As a result if the government is in violation of the act in 1995-96, the government will have to indicate how this overspending will be recovered over the following two years.

In addition, the draft bill has been changed to require the Minister of Finance in the 1994 budget to recommend whether the act should be extended beyond the 1995-96 fiscal year.

As hon. members will see when they examine Bill C-56, we have also made a number of more technical changes in the draft bill to meet the finance committee's suggestions.

I am confident that the spending control act is a strong step forward that will help to put the Canadian economy back on the path to renewed and sustainable growth.

Mr. Milliken: It is a waste of time.

Mr. McDermid: I hear my friend from Kingston and the Islands saying that it is a waste of time. This is typical Liberal philosophy that controlling spending is a waste of time. That is exactly what the Liberal opposition is saying. That is what the NDP is saying, that it is a waste of time to control spending.

I want the record to show that because our government has done a pretty good job of controlling spending. This will assure that ministers of the government stay within the spending control limits set which are at the 3 per cent level. It is very, very important to get government spending under control.

That is what the Canadian people want. That is what they deserve and that is what they are going to get from this government.

Mr. Mills: They want to work.

Mr. McDermid: I hear my hon. colleague for Broadview—Greenwood saying that they do not want government spending controlled. This government is determined to control its spending. This bill will do it in conjunction with the deficit reduction and the debt removal act that we have in place. I think the hon. member supports that as well.

Living within the limits will require difficult choices among competing spending pressures. There is no question about that.

The ministers will have to make up their minds where the priorities are and they will have to within their responsibilities and within their limited budgets spend more wisely. That is very important.

Spending more on some things will mean spending less on others. Those are decisions that are going to have to be taken. Since coming to office the government has repeatedly faced and made these kinds of choices. It will continue to do so as an essential part of facing up to Canada's fiscal and economic challenges.

I urge that the House support the spending control act, Bill C-56, assure its speedy passage so that we can

get on with controlling the spending of the government of Canada which is very important in our fiscal planning.

Hon. Herb Gray (Windsor West): Mr. Speaker, one must ask is this really a bill to control government expenditures? Or, is it instead a measure intended to try to convince Canadians that this Conservative government is something it obviously is not and that is a good manager of its own and this country's affairs.

As I said when this measure was first outlined in a discussion paper last July, this proposal is really nothing more than cosmetic. It simply puts into legislative form what the government should be doing anyway. That is working to live within its own budgetary projections.

This is the government that boasted before the current recession began that it was deliberately inducing a slow-down. These were the very words of the Prime Minister. As the Conference Board of Canada confirmed, this government deliberately created our first made-in-Canada recession through high interest rate and high dollar policies.

This government gave us the GST hitting at consumer confidence and consumer spending. In doing so it has deepened and prolonged the recession. This government came into office pledging to reduce the public debt but it actually doubled to $400 billion since 1984 when this government was first elected.

The high interest rate policies of the Bank of Canada that this government supported and agreed with added billions to its own borrowing costs and therefore to this government's expenditures and made its debt and deficit problems worse and not better.

This government's cutbacks of its transfer payments to the provinces really transferred its deficit problems to them and this has been weakening our health, education and social welfare programs, programs essential to the well-being of Canadians and the well-being of the economy.

Now the government is saying it needs legislative authority to keep its spending to the cumulative total outlined in the legislation over the five-year period between fiscal 1991-92 and fiscal year 1995-96.

If the government was effectively running, effectively managing, its own administration, why does it need this legislation? Is it saying the cabinet ministers and their senior officials are not living within the expenditure framework set by the Minister of Finance in his budget? If that is the case, why does the Prime Minister not simply fire them? He obviously has the authority to do so.

We have a parliamentary system with a Prime Minister and cabinet, the government, being in office because it is supported by a majority of the members of the House of Commons. Without that majority no government in a parliamentary system can stay in office. There is not here the separation of the legislative and administrative branches of government with the possibility of conflict between them and the separate spending decisions by the legislative branch we see in the United States, a situation that led to the legislation in that country mentioned by the minister, and similar to what the government is proposing here.

The House of Commons finance committee visited Washington in the course of its study of the government's discussion paper that preceded this bill. The committee's report said, and I invite the House to look at paragraph 32 on page 7:

> Many of the Americans contacted by the committee wondered why it is necessary to impose budgetary controls in a parliamentary system of government. After all, if a government is powerful enough to enact such controls, it should be able to control its own fiscal policy and any future government would not be bound by such controls since the enabling legislation could easily be amended. Such commentators noted that under a congressional system it was opposing and immovable congressional interests which led to budgetary controls in the first place, in particular, it was the conflict between the Congress and the administration which caused the Gramm-Rudman-Hollings Act and its successor, the Budget Enforcement Act, to be passed.

The committee report goes on in paragraph 35 to say:

> Budget control legislation is a distinctly American approach to problems arising in a quite unique legislative environment. Just because the American system might meet such controls does not imply that the Canadian parliamentary system would necessarily benefit from the same approach despite the fact that both countries face similar fiscal problems.

By the way, the report was supported, including these quotations, by the Conservative members of the committee, where they have the majority.

When one considers these paragraphs from the committee report, no wonder I say this bill is cosmetic. Under our parliamentary system, this bill could be amended not only by the subsequent government that

replaces the current one, it could be amended by this current Conservative government itself.

• (1040)

By the way, a few weeks ago the Minister of Finance admitted he was out $1.5 billion in his projections for the government's deficit for this year alone and said he was freezing all discretionary spending for the balance of this year to March 31 in the amount of some $200 million. He did not say he wished to do this, but he lacked the authority. He said the government was doing it. No public servant and no member of the public affected by this decision will doubt that this discretionary spending is frozen and no legislation was necessary to accomplish this.

If this legislation before the House for second reading is intended by this government to be taken seriously, if it has a serious purpose, then what is behind it? What does the government really have in mind. It could well be an attempt by this discredited Conservative government to try to impose its equally discredited right wing agenda on a subsequent government after the next election.

It is hardly likely the Canadian people will elect this government again after what they have seen of it, especially since the election of 1988. They have seen the effects of the free trade deal, the GST, the government's high interest rate and high dollar policies, its cutbacks in health, education and research and development, its negative impact on the CBC, VIA Rail and Canada Post; the government's unravelling of the very fabric of this country.

This bill is to apply for five years starting in fiscal year 1991–92. This is well after the life of this Parliament, well after when there has to be an election.

Why should a new government elected by the people who, in doing so, reject the policies of this government, have to live within the exact fiscal framework created by this government to carry out its own discredited policies?

This government, in a desperate attempt to try to win back public support, could spend money beyond the limits for each year set out in the bill. The bill says the government has to make up such overspending in one year by cutting back over the following two years.

If this bill is intended to have real impact it would mean a new government, elected as I said by Canadians who have categorically rejected the current one, would be unable to proceed with the programs for which it was elected. It would be unable to move immediately to carry out those priorities. It would have to cut back to make up for the overspending by this government, carried out in an attempt to win back the support of Canadians in a run-up to the election.

Of course a new government could amend the legislation, but if this can be done let me ask again: What is the point of the legislation? What is the point of proposing this bill whose life goes beyond the life of this Parliament? As I have said, it covers a five year period. In presenting it, the government assumes its forecasts of government revenue, as well as its forecasts of the expenditures that would take place under its current programs, would be accurate. It also assumes that its forecasts of the state of the economy, as long as five years hence, would be accurate.

This government has shown a great deal of weakness when it comes to the accuracy of its economic forecasts, as demonstrated by the admission of the Minister of Finance in recent months and weeks how wrong he was about the level of unemployment and how wrong he was about the extent to which the economy would go into recession and the pace and timing of the recovery from that recession and the size of the government's deficit for the current fiscal year. If this government's forecasts are wrong, then the assumptions, the foundations on which the bill is based, will also be wrong and out of kilter and this bill could well harm the future growth and development of our economy.

The finance committee in its report on the proposed bill recognized this in one of its key recommendations. On page 25, the committee said, and I quote:

> The spending control act should be subject to being suspended by vote of Parliament during a period of economic downturn or recession or upon presentation by the Minister of Finance of a projection of such recession or downturn.

Nothing like this appears in the bill before us. In fact, this recommendation has been rejected by the government.

We note there are exclusions from the controls and spending limits set out in the bill. One is the management of the public debt and its expenditure to meet the cost of borrowing. Another involves four self-financingprograms, unemployment insurance and three others

with regard to agricultural insurance, with the money being raised by special levies or taxes. Another exclusion refers to expenditures made as a direct result of an emergency.

The legislation does limit the government's ability to budget in a counter-cyclical way to offset through its expenditure and taxation programs the effects both of recession and of an overheated economy. The bill in fact would leave the operation of the unemployment insurance program as the government's chief counter-cyclical tool.

In the report I referred to earlier in my remarks, the committee quotes Professor Douglas Hartle of the University of Toronto as follows in paragraph 75:

> Professor Hartle, on the other hand, while recognizing the need for spending restraint, views the controls program as little more than a public relations exercise. He concludes that the federal government's forecasts for future deficits are contingent upon declining interest rates, more so than program spending controls.

The report goes on to say:

> According to Douglas Hartle, current tight fiscal and monetary policies have had perverse effects on the deficit by pushing up interest rates. This has increased the deficit directly and indirectly by hindering the recovery. Moreover, the proposed legislation does not guarantee lower deficits because such a result depends crucially on lower interest rates. These views are clearly in contrast to that of the federal government which sees fiscal and economic problems stemming mainly from the large federal deficit and debt by controlling that fiscal imbalance. Real interest rates should fall and economic activity expand.

We have seen interest rates falling over the past months, but so far we have seen little or no economic expansion. In fact, in spite of lower interest rates, the government's deficit is likely to increase this year due to lower government revenues and higher expenditures because of the recession this government's policies have helped create.

Another point is that this legislation does not exclude from its coverage, its restraints, its limitations, programs like the old age pension or the family allowance, unlike its American counterpart.

What happens under this bill if the government's forecasts about the amount required for the old age pension is wrong? What happens if more of the population becomes older and lives longer than forecast, creating greater need for expenditures under the Old Age Security program? Is the Conservative government saying in this bill it will cut back on the old age pension even if there are older Canadians who expect and need these payments? If it does not do this, what other programs will it cut back on instead? Air traffic control, inspection to ensure the safety of our food products, or exactly what?

The Leader of the Opposition in recent speeches set out five principles that would guide a future Liberal government. He spoke of restoring Canada's industrial strength, ensuring a fair tax system, creating comprehensive and creative adjustment policies, ensuring balanced economic growth and also being a truly fiscally responsible government.

• (1050)

In referring to figures from the Auditor General that from 1984 to 1991 the federal government mismanaged at least $23 billion, the Leader of the Opposition said a Liberal government, and I quote: "will scrutinize every single line item of spending. We will use it only to do the things which government can and should do".

Liberals are concerned about issues of government expenditure and deficits. However, as I said when I began these remarks, this proposal, this bill before the House, is really nothing more than cosmetic. It simply puts into legislative form what this government should be doing anyway, and that is working to live within its own budgetary projections.

I want to point out to those Canadians concerned about government expenditure and government activities that this bill does nothing to address those concerns, the concerns of Canadians about this government's waste, about this government's excessive taxes. In short, the government is proposing legislation to do what it already has the authority to do. The proposal is simply an attempt by this Conservative government to hoodwink Canadians into thinking that it is finally coming to grips with the negative effects of its own economic incompetence and mismanagement.

It is time for a government that is truly fiscally responsible, one that produces more than cosmetic measures, above all, one that does not slow down and damage the economy through its measures, one that takes into account the desire of Canadians for jobs, the fact that there are 1.5 million Canadians who are out of work. This government ignores these Canadians and the businesses that have shut down and want more than

cosmetic measures from this government. They want a government that is concerned with the good management of itself and this country's affairs, one that helps rather than harms their basic existence.

It is time we had a government that, as the Leader of the Opposition put it, promotes growth and does not hold it down.

What about the effects of economic growth in reducing government expenditure for such things as welfare, and at the same time restoring government revenues without higher taxes from businesses whose earnings are restored and by having Canadians go back to work?

Canadians will look beyond the empty words of the minister today in proposing this bill and see the failure of this government to meet its own projections, and the failure of this government to help Canadians live better and more fulfilling lives.

More than this bill, Canadians want an election to give themselves a new and a better government. The best way to get a fiscally responsible government but at the same time a caring and compassionate one is not through this bill. It is to have an election to get rid of this very bad government.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the bill which stands before us in the name of the Minister of Finance is a piece of proposed legislation which, if it had been properly put together and if the minister had listened to the unanimous report of the Standing Committee on Finance of this House, could have been a useful piece of legislation. It could have been a piece of legislation that in fact would respond to what many people across this country, many who talked to the finance committee during their hearings with respect to this bill, want to see.

Many Canadians across this country want to see a serious effort to deal with the deficit of this country. They want to see a serious effort to do that, and at the same time, to see that the expenditures which government makes and tax policy which government follows come together to provide us with a strategy to rebuild our economy, to re-establish jobs for Canadians, to get people back to work and to get them contributing taxes instead of accepting unemployment insurance. Thereby, they want the government to see to it that we deal with the deficit.

For this bill to have achieved some of the purposes which I have talked about, purposes of controlling the ridiculous level of deficits which both Liberal and Conservative governments have created in our country and, second, to expand the number of jobs for Canadians which exist across this country from the very high unemployment levels which have been reached in this Conservative recession and the very high levels which were reached in the Liberal recession in the early 1980s, it would have been necessary for this government to listen, to listen first to the very finance committee of this House to which this bill was referred. Second, it would have been necessary for this government to listen to the many Canadians who testified before that finance committee.

I could take you, Mr. Speaker, and I could take people listening to this debate through many of the pieces of testimony which we heard in the finance committee. We heard, for instance, from the Canadian Federation of Independent Business. It said to us: "Small business owners and Canadians generally have lost confidence in the government's ability to manage its own affairs, let alone manage the country".

The Canadian Federation of Independent Business said: "As a first step in establishing some measure of credibility on the fiscal front, the government must impose upon itself a binding mechanism to ensure adherence to a sound expenditure control and deficit reduction plan".

I could quote from the Vancouver Board of Trade which spoke to us. Again, it stressed that even this small reduction in the deficit could be defeated if the assumptions of economic growth and interest rates turn out to be optimistic. "We think", said the Vancouver Board of Trade, "the assumptions err on the optimistic side".

I could take you through the testimony of the Business Council on National Issues, the Chamber of Commerce, the Canadian Manufacturers' Association. Business group after business group said: "The issue is dealing with the deficit". Yet, what do we have in front of us? We have a piece of legislation which does not, despite what I am sure you will hear from members on the government side, deal with the deficit.

The finance committee of this House of Commons unanimously—that is all parties, including the Conservatives, the Liberals, the New Democrats—said it is important to get a handle on the deficit. They said further that the only thing which will make it possible is if there is control of tax expenditures.

• (1100)

There are many ways to spend money. You can spend money that goes out in the form of cheques to various people across the country. You can spend money that goes out in the form of grants to various companies throughout this country. You can spend money, and this is crucial, by making a deliberate decision to reduce taxes for a specific purpose or for a specific group within the economy.

If you are concerned about the deficit, when you make a decision to reduce taxes you have to do something else to offset that decision. You either have to reduce expenditures, not just limit the increase in expenditures, in order to make up for that giveaway of taxes which you provided or else, if you are going to, for instance, give a $100,000 tax exemption for capital gains to the wealthiest people in this country, if you are going to give that kind of tax loophole as this government has done, you have to make a decision that you will raise taxes in other areas, that the tax decrease you give to the very wealthy will be made up for by a tax increase in other parts of the economy. That is what has to be done if you are serious about reducing the deficit.

That is precisely the point. I quote here from the unanimous report of the finance committee with respect to this legislation: "Any legislated reduction in total tax revenue which causes the federal government's fiscal targets not to be met", in other words a tax decrease, "must be accompanied by measures offsetting this decrease through other forms of revenue increase or expenditure reduction".

That is the very heart of the recommendations which the minister praised in his speech as coming from the finance committee of this House of Commons. Yet that is the crucial recommendation which has been ignored in this bill. That is why this bill is a total sham. It does absolutely nothing to guarantee to Canadians that there is some kind of legislated plan to reduce the deficit in this country.

The Minister of Finance can come in on budget day, which we hope is coming soon, and say to the people of Canada: "I plan to reduce taxes for upper income earners in this country. I plan to reduce the level of taxation for the highest income earners by getting rid of the 10 per cent income surcharge on those making over $60,000 a year in taxable income". There is absolutely nothing in this piece of legislation which will stop that from happening. The result will be a significant increase in the deficit of this country.

You may say: "How could the government be so foolish? How could it be so stupid as not to listen to the unanimous report of its own finance committee?" I remind you that the finance committee report was unanimous. The majority on that committee is made up of Conservatives, people who actually do want to see the deficit reduced, but the government did not listen to them. You have to ask yourself why. Was it foolishness? Was it stupidity? I think not. I do not think this government is serious about reducing the deficit. This government simply wants to go through the motions. It wants to persuade Canadians, through some kind of cosmetic gesture, that it is doing something about the deficit when in fact all it is doing is burying the reality of waste, of deficits, of inefficiency in government which we have had for seven and a half years of Conservatives and before that for four and a half years of Liberals.

It is a process of waste, a process of inefficiency in government which has created a deficit of $420 billion that has been accumulated in our national debt. Out of every dollar that every Canadian contributes in taxes, 35 cents has to go to pay off the waste, extravagance and failure to deal with the deficit that is there on the part of this Conservative government for the last seven and a half years and the Liberal government before it for the previous four and a half years.

The only governments in this country that are taking seriously the need to control our expenditures and to meet social objectives to put people back to work, to therefore choose priorities, to stop wasting money, to stop the extravagance in government, are the New Democrat governments at provincial and territorial levels throughout this country.

In Saskatchewan, British Columbia, Ontario and the Yukon Territory, we have governments which have made hard choices, which have said: "We cannot do everything, but what we will do will not be to the benefit of the rich, to the benefit of powerful corporations, but instead to the benefit of people who really need a tax break, to working people, to people with middle incomes who have been hammered so hard by this government and by the government before".

• (1110)

Just today figures have been released which indicate what has happened to the tax burden of people in 17 metropolitan areas across Canada which cover about 80 per cent of the population of Canada. If we go back to 1986, they paid just over 19 per cent of their incomes in taxes. Now they pay over 22 per cent of their incomes in taxes. That burden is not fair, it is not just, it has got to be dealt with. It is not being dealt with through this bogus piece of legislation. This bogus piece of legislation does not make the connection between expenditure control and reductions in the deficit. There is no connection between controlling expenditure and controlling a deficit.

Why? Because this government has rejected the unanimous report of the Standing Committee on Finance of this House. The only reason that we have to understand that rejection is that this government does not really want to deal with the extravagance and waste which it has created over the past seven and a half years of governing this country.

This bill has got to be beaten. This bill has got to be defeated. I hope Conservatives who are serious on the backbenches about deficit reduction in this country will stand up and defeat this legislation because it is a sham, a mockery that does not do what it sets out purportedly to do.

I urge this House to defeat this legislation because it is a cruel trick on Canadians across this country.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): I think it is really too bad that the hon. member for the New Democratic Party should be so anxious to sing the praises of the NDP government in Ontario and brag about its achievements because so far the results have not been outstanding. I think his comments are particularly unfortunate because they reflect his usual criticism of government legislation. He criticizes every single fiscal measure this government tables and has done so for seven and a half years.

The hon. member and his party have no positive contribution to make to this debate. They are always ready to criticize, but we have yet to hear any suggestion for dealing with the real problems facing this country.

When considering this bill, an act respecting the control of government expenditures, a bill that is absolutely relevant to the current situation in this country, we should remember that this measure was announced in the 1991 budget. There was thunderous applause in the riding of Trois-Rivières and there was a wholly positive response when we announced mandatory legislated spending limits for the next five years. My constituents were delighted and told me: You are doing an excellent job of running the country's finances. We have an enormous debt we inherited from the Liberal government, and you are steering the right course to ensure we get rid of this debt.

This morning I heard my NDP colleague criticize the bill. I think we should look at the facts. Between 1970 and 1984, program spending increased by an average of 13.8 per cent annually. In other words, we had an annual increase of 13.8 per cent in program spending. From 1985 to 1992, the average annual increase was 3.7 per cent. This means that since 1984, this government has acted responsibly and run this country the way it ought to be run, with an annual reduction in program spending of 10 per cent.

Mr. Speaker, I am sure that you and I would have preferred to give more to Canadians. However, we have a job to do. We have responsibilities, which include managing the finances of this country and stopping the endless handouts that were typical of the Liberal government, which had programs to paint fences, shovel snow and wash windows. There were programs for just about anything. They did not create permanent jobs. All they did was spend, spend, spend.

In 1984, their legacy to us was a tremendous deficit of $39 billion and a national debt of $200 billion. That was their legacy, in 1984. That is what we got. I see this woke

them up on the other side. They are upset. Never mind, it will do them good.

In 1984, the annual operating deficit—this does not include the interest on the debt—was $16 billion, which means that annually the Liberal government spent $16 billion more than it received in revenue. Show me a family or business in this country that would spend $16 billion more than it earns. We cut spending and yes, we raised income tax and other taxes.

No one will deny we raised taxes. But in what proportion? That is what matters. The proportion is 70 per cent cuts in government spending to 30 per cent increases in income tax and other taxes. Thanks to this medicine, which was not the most palatable and still isn't in 1992, the Treasury receives $12 billion more than the government spends every year, always excluding interest charges.

It means that this government managed a $29 billion turnaround within seven years. Twenty-nine billion dollars in terms of expenditures means that tomorrow morning we can forget about the national debt. It has disappeared. We have a balanced budget and no more deficit. We have money in the bank. But we still have a deficit, because we have to pay interest on a debt that neither you nor I created, Mr. Speaker, a debt that the party opposite ran up when it was in power.

Figure it any way you want, the Canadian government's annual deficit since 1985 is equal to the amount of interest payable on the $200 billion we inherited. Let an accountant figure it out. Whether they are CA, CMA, RIA or CGA, they will all get the same answer.

• (1120)

Our annual deficit now is due to the interest on a debt we inherited. We are meeting our responsibilities. One thing we are doing to meet our responsibilities is a bill that will limit spending and would require a minister who wants to exceed his allowed budget to present a bill amending the legislation that we will enact.

I think that requiring a minister to introduce a bill if he wants to change his department's operating budget is the best safety device we Canadians can have for the financial future of this country.

People often say that the government spends too much: too much on salaries, too much on rent, too much on travel, too much on this and that. Unfortunately, that is a perception. Since 1984, the costs of government have risen only 1.2 per cent, which in real terms is a drop of about 20 per cent.

We often hear comments about what Canadians think, that the government spends too much, and too often in the wrong places. The amounts can at times seem enormous, some things that are done may seem inane, but let us take any company in any field of activity and look at its balance sheet, its financial statements. I am sure that all Canadian businesses and all Canadian families are at least 1 per cent off their budget. One per cent of the money that the company or the family spent was spent unintentionally. They did not catch it in time. One per cent is not a lot. I am sure we could find examples everywhere, in families and businesses throughout Canada.

I tell these people to allow the federal government which is now in charge the same 1 per cent. One per cent of a $140-billion budget is $1.4 billion. As an administrator, I am ready to accept blame for $1.4 billion or 1 per cent of what is spent, which should not have been spent or should have been spent differently. Throughout the federal government, with all that it does, I can accept blame for this 1 per cent, although I think that if we who run the country wanted to eliminate this 1 per cent overspending, it would cost more than would be saved. Members of Parliament—not only Conservatives but members of all parties—would have to work 24 hours a day, seven days a week, just to check every expenditure of the federal government in 40 departments.

I think that we have to swallow the pill and live with it. But we must also consider the positive things that have been done since 1984. Cuts have been made and that hurt. Taxes have increased and that hurt. As a country, as members of the Conservative Party, as administrators, we have no choice but to run the government's finances so as to balance the budget in terms of income and outgo, and that is what we have done. It is now in place.

We must also repay the huge debt that was left to us and on which interest is accumulating every day faster than we are paying it off. That too is our responsibility.

The bill before us must be seen in the global perspective of the financial responsibilities taken on by the Minister of Finance and by this government over the past seven years. That is what this bill is all about. I am convinced that opposition members will rise today and say that we should have spent more here, that we spent unwisely there. But judgment has to be exercised in dealing with reality here.

I am always prepared to discuss fully with my friends opposite the appropriateness of any government expenditure. But I am not prepared to discuss with them when they stand up every two minutes or so to ask for more money. They are asking for more money in every area of activity under the sun. They take a shot at everything they can without ever suggesting where the money should come from. Asking is easy—as Our Lord said: "Ask and you shall receive"—but this is Parliament, not the church. In that sense, I have nothing against the Opposition asking for money, but would they be so kind as to tell me at the same time where to find that money. In the taxpayers' pockets? Or should we cut a program and replace it? Where are we going to take the money they ask for?

That is the question I would like members opposite to ask themselves today before they rise in this House to speak against this bill—

An hon. member: There is no substance in this bill.

Mr. Vincent: I see that they are waking up. At least we managed to wake them up a bit.

Before they start criticizing this bill, they should ponder on this because it is important. Members can be partisan, and I generally do my share at that, but this bill we are considering this morning represents an important part of what this party and this Parliament want for our country tomorrow morning and the next day as well as five and ten years down the road. That is what we should bear in mind as we debate this bill, how it should be seen.

Can we afford to keep running this country on a full credit card, charging maximum interest rates when we can have another credit card? That is where we are at. That is the question we must ask ourselves when dealing with government finance in Canada in 1992: what can we afford to do to help the people of Canada while ensuring that our country will be in reasonably good financial health in the future? That is the question we must ask ourselves for very dollar that we spend.

In closing, I will raise a last point. In 1984, government operating costs represented 19.3 per cent of the total budget, compared to 16.6 per cent today. That is a 3 per cent reduction of operating costs over total government spending in 7 years. This means sound management in this House as well as in the government backrooms. It is important to emphasize this point because it shows that we have accomplished what we said we would do in 1984 and in 1988. It is important to emphasize this point because, as we are talking, Canadians need good news. They do not need a constantly pessimistic message like the one we hear from the opposition. Canadians need to see the light at the end of the tunnel. They need to see that their government takes action, that it makes decisions that are not necessarily popular, but that it knows what must be done for the country. Canadians definitely do not need to hear time after time, day after day, week after week, the members of the opposition talk about doom and gloom without ever giving a ray of hope as regards the economic and financial reality of Canada.

• (1130)

Mr. Speaker, you just informed me that my time is up. I hope that my colleagues will understand the underlying message of this bill, that they will support this legislation, that they will start to be positive and that they will bring to this House elements of solution and positive suggestions, instead of criticizing like they have now for seven years.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a question for the parliamentary secretary. He talked with great pride about the ability of his government to reduce the deficit and to face inherent problems. The member said that the time had come to seize the opportunity. If the government has that ability—and I remind him that his government promised seven years ago to eliminate the deficit—why has his government postponed its attempts for so long? Even if those attempts were un-

successful, why has the government waited so long after the promise it made during the 1984 election campaign?

Mr. Vincent: Mr. Speaker, I emphasized during my speech that this should not be a partisan debate. The question raised by my colleague is somewhat partisan. I will tell him again what I said earlier.

I said that when we were elected in 1984, the national debt stood at $200 billion. I said that if the member would look at the annual deficit under the Conservative government since 1984, the annual deficit for each year, and if the member would also look at the amount of interest to be paid on the debt that my hon. colleague created, since he was a member of the cabinet before 1984, if he would look at the interests on that debt, he would realize that, give or take $10 billion over an amount of $200 billion, which represents 5 per cent, it is exactly the same thing. This means that we have trouble paying the interest on the debt that we inherited. This is no secret; it is true and it is public knowledge. Yes, it is hard for us.

If we had not taken control of the affairs of the state and if we had not made all these cuts within the government and through tax increases, you can imagine what the debt would be right now. We would not even be able to write it on an 8 1/2 x 11 sheet, because there would be too many zeros. This is what I mean when I talk about sound management and finance control. Indeed, there is still a lot to be done, but a lot has also been done compared to what went on before 1984.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have two questions for the parliamentary secretary.

My first one is this: If it was such a good idea to table this bill, why didn't the government do this during the first year it was in power? Why wait until now?

My second question: The draft bill tabled before the finance committee contained a proposal for a 3 per cent annual increase in government spending. The government has changed the figures and proposes an annual increase of more than 3 per cent for every year covered by this bill. Why did the government raise these figures? Because it is unable to control spending? Why did the government do this?

Mr. Vincent: Mr. Speaker, the hon. member's first question was why the government did not table this bill in the first year after it was elected. I would like to point out to the hon. member that we live in a country and a society that are developing very fast. Every day legislation is amended and new legislation is tabled before the House.

It is that philosophy that is also reflected in the budget. It is a philosophy that relates to the economic, financial and fiscal aspects of our country. The hon. member seems to be saying the bill is a good one. If it is so good, what difference does it make when he votes for it, as long as he does? I have no problem with that. Let him admit that this government drafts legislation that is good for the country, not because it is good for the Progressive Conservative Party or the Liberal Party or the NDP, because that is not the purpose of our debate this morning. This is not an issue that should be dealt with in a partisan manner. This is a matter of substance that should be addressed with arguments on substance, not petty partisan arguments.

His second question concerned the 3 per cent increase in expenditures. I may point out to the hon. member that there are 48 different ways to calculate government spending. What the bill proposes is different from what was provided in the draft bill, but conversely, the various expenditures included in the draft bill have been removed. We cannot compare apples and oranges, because it just will not work. That is more or less what the hon. member's question amounts to. He asked me to compare two things that are not quite the same. Since a number of spending categories were added later on, they cannot be calculated the same way.

I think the hon. member, who is usually quite brilliant, will understand this position.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I just want to make a very short comment. I know the member would want to make sure that Canadians had a full understanding of the government's actions during the period of 1984 to 1992.

• (1140)

This deathbed conversion to expenditure control is really not going to wash. He failed in his address to mention that from 1984 until today the Conservative government has hit the people of Canada with over 32 tax increases, which amounted to just under $60 billion in

additional revenue that the government had at its disposal. From 1985 to 1987 on the unemployment insurance draw there was close to $40 billion less than what we had from 1980 to 1984 because we were experiencing a recession. The member talked about having to service the debt. They had close to an extra $80 million to $90 billion of added funds that they could have used at their discretion.

I do not think the member can talk about having to service the debt they were left with without talking about the fact that they also took in an extra $80 billion in added revenue.

[*Translation*]

Mr. Vincent: Mr. Speaker, I just want to tell my colleague that he is wrong in saying that I did not inform the public properly. I said very clearly just now that 70 per cent of the $29-billion difference between 1984 and 1992 was due to less government spending and that 30 per cent was from higher taxes. I said so clearly and I want to say it again to the hon. member. I did not try to say that we did not raise taxes. I said that we did, and I did not say that anyone liked it. I pointed out that 30 per cent of everything that the government had done came from tax increases and that 70 per cent was due to government spending cuts.

[*English*]

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I have just a few comments concerning this bill. The parliamentary secretary and the minister used the same words when they said: "Tell us where to find the money". "Tell me", he said, "where to find the money".

The ordinary person must think the Government of Canada has loads of money. After all, it just gave hundreds of millions of dollars to an oil company to get out of the Hibernia project. It was disclosed that the Government Canada was able to guarantee hundreds of millions of dollars for another oil company to develop an oilfield in Burma.

There are methods of granting large sums of money to people who do not really need it, especially if they are going to develop an oilfield in Siberia as is the case with Gulf Oil. It decided the other day to pull out of its commitment to an oilfield in Canada and to spend some money in Siberia. It was disclosed that it was receiving back every penny it spent in Siberia. It was also disclosed that Petro-Canada would be getting back every penny of what it spent in an oil development in Burma.

Ordinary Canadians look at that and say that the Government of Canada must have loads and loads of money. That money is granted through a mechanism in the all-party committee report to which the hon. member for Windsor West and an NDP member referred in their remarks. It is called tax expenditures. The concept of tax expenditures was introduced back in 1967 by the assistant secretary of tax policy for the United States. He said at that time that if somebody was given a $100 tax break, it was the same as giving the person a $100 cheque. That is okay, but it depends on whom the money is being given to.

The minister of energy stood in the House the other day when I asked him a question about why the Government of Canada would be giving every penny back to Gulf Canada, to be deducted from the income tax it owed in Canada for its development in Siberia. The minister of energy said: "Yes, that is true, 100 per cent".

Then he made a remark outside the House which was quoted in the press, saying that the company had taken advantage of other tax expenditures in the past. He made reference in the House to the Little Egypt Bump, which only tax experts, tax lawyers or tax accountants would know the meaning of.

Mr. Mills: And very few of them, too.

Mr. Baker: As the member for Broadview—Greenwood just mentioned, very few of them.

An hon. member: Oh.

Mr. Baker: An hon. member of the NDP just made a remark. He obviously does not realize that the law permitting Gulf Canada and Petro-Canada to deduct every penny from their income tax was amended in 1985 and 1988.

For your own edification, Mr. Speaker, the Little Egypt Bump takes its name from a belly-dancer, as I understand it, from Cairo who made quite a splash in Chicago at the turn of the century. Her name was Little Egypt and somehow the experts, this closed, tightly knit fraternity of people who make judgments, said: "Let's call this tax break the Little Egypt Bump because only

the bare essentials of the transaction are exposed to the Department of National Revenue".

It was also called the Oldsmobile transaction. The reason why they called it the Oldsmobile transaction was that at that time General Motors put out an Oldsmobile 88 and an Oldsmobile 98. Those were the two sections of the Income Tax Act that were used to accomplish this tax break which enabled the company to inflate the value of a property which was then sold to a partnership—this is in its simplest form—and, as the law is written, you cannot then retrieve your tax from the partnership.

Where I disagree with the NDP in every reference its members make to that is that they blame the company. They blame, as did the hon. member who spoke a few moments ago, those rich companies. It is not the companies' fault.

An hon. member: I did not blame anybody.

Mr. Baker: I am speaking about the hon. member from the NDP who was here a few moments ago and delivered an address on the subject of tax expenditures.

It is not the companies' fault. It is not the fault of the Reichmanns that that break was there. Why, if Paul Reichmann did not take advantage of it, if he did not go to the Government of Canada and say "look, I want it in writing before I do it", if he did not do that, if he did not take advantage of what the law was that we passed here in this Chamber, why, he would not be very smart.

It is not his fault or the fault of his two brothers. The minister even brought up the transaction outside the House. It is the fault of the government in power. Come to think of it, it was not only Gulf. It was also Petrofina. It was also Syncrude. There was one other instance where that tax break was used.

• (1150)

To be able to take your money out of a company in Canada, an oil development, and to spend it in another nation, in another country and deduct every penny of your expenditure in that foreign nation over a 10 year period, and if you make any profits over there you can deduct it even faster, is not acceptable in this day and age in Canada. The U.S. does not have such a system.

We are left with an oil development. Yes, it will survive and it will go ahead, I am sure, in Hibernia. The minister and the parliamentary secretary a few moments ago said: "Tell us where to find the money". There appears to be loads of money available for the Government of Canada to pay out billions and billions and billions of dollars.

When you look at the documents of taxation analysing the returns of individuals for the 1989 taxation year and miscellaneous statistics, the most recent one, you are struck by a couple of things. The numbers of people making over a quarter of a million dollars a year paying no income tax at all has gone up.

The hon. member for Broadview—Greenwood advocates a flat tax.

An hon. member: A single tax.

Mr. Baker: A single tax. I am sorry, there is quite a difference. Those are the figures that he looks at. When you examine it even closer you see that certain people in the six figure bracket are claiming the child tax credit, the federal sales tax credit and now the GST rebate. When you look at at the rules and regulations for those, and I will put it on the record, it says that it will be paid to families with low and modest incomes. The application is made out by those with low and modest incomes.

The hon. parliamentary secretary and the minister ask: "Where are we going to get the money?" Through our taxation system we have allowed those types of breaks to take place, to have someone with a reported total income of $250,000 a year paying not one penny of income tax. It is there on the record.

That is not a complete story. You can have people making $30,000 a year in the statistics of income and they can actually make a half a million.

The hon. member asks where can he get the money. In December they changed the whole system. The hon. member a few moments ago talked about the capital gains tax that was brought into this country back in 1971, the capital gains tax of 50 per cent of normal taxation that was imposed after the termination of the estate tax.

The hon. member from the NDP was complaining about it. What he should have been complaining about was what the Government of Canada did. It did not affect small businessmen, the ordinary businessmen in Canada. We met with the Federation of Independent Business just yesterday. One of the gentlemen there

gave a very thorough presentation on behalf of small business. He made this statement: "Well, you know, our small businessmen want to be able to make the deduction as it relates to inheritance".

What the hon. member for the NDP and the government were forgetting, what we raised questions about, was what the Government of Canada did in this House in December. It totally removed the 21-year rule. As you know, Mr. Speaker, when the capital gains tax was brought in in 1971, the loopholes had to be closed. You would normally pay your capital gains upon your death, but a trust does not die. We had the 21-year rule. At the end of the 21 years all capital gains owing from assets would become payable. Twenty-one plus 72 is 93. In 1993 all of those deferred taxes, if you want to call them that, would come due.

The Government of Canada in December changed the law. It claimed it was closing a loophole. I read its material. It certainly was not closing a loophole. It said: "We are going to put it off for another two generations". It has changed the law so that the deferred taxes for the past 21 years will now be paid with the death of the youngest member of the family. The government then turns around and says: "Tell us where to find the money". I am referring to people with vast fortunes, people who have incredible amounts of money, not your ordinary everyday millionaire. These are people who have tens of millions, hundreds of millions of dollars, who can tuck away millions and millions without even bothering with it because they would like to maintain control of it forever.

The government in this House changed the law in December, affecting what somebody can claim as entertainment. Talk about tax expenditures.

When you close a loophole, you should make sure you are closing it, that you are not opening it up for all kinds of things that should not be there. When a tax accountant or a tax lawyer sits down, some of the brightest minds we have in this country, their job is to try to see how they can save money for the person paying the bill. They are some of the brightest minds in Canada. They are good at it. The Government of Canada was asked: "How far can we go in claiming entertainment? We know that we can claim 80 per cent of the cost of a private box in the Montreal Stadium or at the ballpark in Toronto, the Skydome, $50,000 or $70,000, those nice cosy rooms that have these big mirrors that go up—"

An hon. member: That's a cheap one.

Mr. Baker: That's a cheap one? And there is service brought in, and so on. The hon. member says that is a cheap one. Well, it is paid for by the taxpayers of Canada. How about having a private box for those people on welfare? How about having a private box for people on unemployment insurance? What about it? They would love to have a cosy box with a mobile telephone when watching the baseball game. It is taxpayers' money. Then there are the very expensive meals, some of our best restaurants, compliments of the taxpayers of Canada, 80 per cent of it. There are other things that are claimed which are not as legitimate. The government changed the law last December. It told the accountants and tax lawyers two years ago: "We are going to change the law so that you will not have to ask us any more how far you can go. You could claim yachts back in 1977, but we closed that loophole".

• (1200)

You tell me I have got two minutes, so I had better get to what the government did in December. As the hon. member for Broadview—Greenwood knows, the government changed section 67(5) of the act. It said that as long as something did not contravene the Criminal Code of Canada and as long as it was not listed as an exclusion in the act, it was permissible.

That makes all kinds of things legal. That has led to stories and interviews about masseuse services and escort services that are not against the Criminal Code and that are being claimed as a legitimate expense, compliments of the taxpayers of Canada. And the minister turned around a minute ago and said: "Tell me where to find the money". The parliamentary secretary stood up and said: "Tell me where to find the money".

The money should not be found on the backs of the poor of this country or on the backs of the ordinary persons in Canada. The money can be found because it is being wasted today in grants by the Government of Canada, disguised as tax expenditures. The minister says: "Tell me where to find the money". Billions and billions and billions and billions of dollars. The government should be thoroughly ashamed of itself.

Mr. Ian Waddell (Port Moody—Coquitlam): I have two questions I want to ask the hon. member. I made reference to the Little Egypt Bump. I might say to the hon. member that that is the first time I have heard it explained so clearly. He obviously has a lot of experience in this field.

I am not making an apology for this government because you just cannot make an apology for the way it has run the economy. I remember when I was energy critic of my party, the NDP, getting in evidence that the Liberal government of the day spent $13 billion, and these were dollars in the early 1980s, on petroleum incentive program grants, PIP grants, to oil companies. I personally think this is one of the reasons why we have a huge deficit today. Is it not in fact the Liberal government, which ran Canada most of my lifetime, that is really responsible for the big debt that we have federally in this country? Is it really not a hangover from mismanagement by Liberal governments? Did those same Liberal governments not really fashion the modern tax law with all those loopholes, including the research grant scandal, research write-offs, the Little Egypt Bump and those kinds of provisions of our tax law?

Further to that, he will recall these Liberal civil servants, people like Mickey Cohen, who fashioned the National Energy Program and who were wheeling and dealing with Petro-Canada when they took over Petro Fina and never really revealed, in spite of the Auditor General trying to get that information, what went on. These people just moved right out into the private sector, work for the Reichmanns and then take advantage of some of their own laws that they made when they worked for the Liberal government, ripping off the taxpayers in that way.

The taxpayer gets screwed, it seems to me, by the laws of the former Liberal government and some of the people who were involved with them, who, as soon as they go into the private sector, rip off the ordinary Canadian who must pay taxes.

Mr. Baker: Here the hon. member goes again, the NDP. He said: "They made their own laws. Mickey Cohen made the law," he said.

It was not Mickey Cohen who made the law, it was the government that made that decision. It was the cabinet that made that decision.

Granted the hon. member can say: "Well, he was the deputy minister at the time". He was the hired help. He was the one who had them pass judgment on the recommendations set up by the department. That is true. The hon. member is correct. But Mickey Cohen did not make the law. That recommendation concerning, as he put it, the Reichmann empire at the time was made by the Government of Canada, this Government of Canada right here.

The hon. member said: "The Liberals are at fault. They are the ones that drove up the deficit through PIP grants". The PIP grants were for oil development in Canada—in Canada.

What did the Tories do when they got in? They wiped out the PIP grants and the hon. member from the NDP was in agreement with it. They wiped them out for oil development in Canada and they propped up oil development in foreign nations.

An hon. member: Our security of supply.

Mr. Baker: The hon. member here will not criticize the Government of Canada encouraging expenditures in Siberia or Burma by Petro-Canada and the total tax write-off.

If the hon. member went back and really looked at the tax law that he referred to, far down on the corporate tax return it says "foreign exploration and development, oil and gas". A company is allowed to deduct 10 per cent a year until its total funds that it spent are recovered.

Well, I tell the hon. member that there were two amendments made to that provision in the Income Tax Act. They were made by this Government of Canada solidifying and enforcing a 100 per cent write-off for oil developments in foreign countries, while they turned around on the advice of the NDP and cut off the grants for oil companies exploring and developing oil in Canada. That is the truth of the matter.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have an opportunity to speak on this Bill C-56, the control of government expenditures.

As many members have said previously and also as our finance critic, the hon. member for Windsor West has stated so clearly, this bill is cosmetic. It is smoke and mirrors.

Do we really need a bill to send a signal to various parts of the Government of Canada that we want to control expenditures? This bill shows Canadians once again that this government does not have a legislative agenda.

When there are so many unemployed people in this nation and the government puts forward a piece of legislation that is nothing more than smoke and mirrors, then we know that its creative process has really dwindled to a state where I am sure most Canadians would find it frightening.

We should be debating in this House today ways in which we can put people back to work.

• (1210)

The government repeatedly asks us where are the ideas from this side of the House?

The hon. member for Gander—Grand Falls, whom we just listened to, has hit the nail on the head.

The people of this country are fed up with the tax designs that exist in this country. They are absolutely frustrated with the fact that politicians at all levels of government are not listening to the level of frustration that they feel toward the tax designs, especially the personal and corporate designs.

The member for Gander—Grand Falls has just given a beautiful illustration how the tax preferences, given through the tax act, really show that the basic tax act of this country is unfair.

This is so important in relation to job creation that we had better do something about it quickly. If we are going to be a competitive nation, if we are going to create more jobs in this country, if we are going to expand this economy—and that is the only way we are going to create the jobs—then we are going to have to create better products and better services at more competitive prices.

This government possesses one instrument that can effect a change in the productivity of this country. It is the tax act. Right now, the average men and women of this country feel the tax act is treating them unfairly. We know it is treating them unfairly. They want us to address this problem with a sense of urgency.

We are very close to a tax revolt in this country. We have situations in the municipalities of this country where people cannot pay their municipal taxes and municipalities are frightened. What are they going to do? They do not have the revenue. Do they want to take businesses out of business and create more unemployment?

The Government of Canada is not listening to the fact that the tax designs that exist in this country are not working. This is why we have a problem in terms of productivity.

If people are to produce a better product at a better price, they have to be treated fairly and this can begin with the tax designs. Bring fairness back into the tax system. Bring simplicity back into the system.

Last year, 80 per cent of the returns that were filed in this country were filled with errors. Consider the inefficiency that exists in the tax system of this country.

We have a situation right now, and the member for Gander—Grand Falls referred to it in his speech, where rules and regulations, and exceptions, and exceptions to exceptions right now are causing disunity in the country. It is wreaking havoc with the entrepreneurial spirit in this country and that is the spirit that we as a nation depend on to create the jobs.

What are we doing to that spirit? We are ignoring it.

When we have a crisis like this on our hands, we cannot ignore the voice of the entrepreneurial spirit in this country. It is saying: "Fix the tax act. On the personal side, fix it; on the corporate side, simplify it, clean it up, bring us some fairness".

If we did that we would have a motivated work force in this country which would create a better quality product at a better price, which ultimately expands the GNP of this country.

More people would be employed which would mean less draw on the unemployment insurance fund and less draw on the welfare fund.

When interest is calculated on $30 billion worth of disbursements just on UI and welfare, in 18 months we would not have a deficit.

The focus of this government is all wrong. It has a one-track mind. It has absolutely no creativity and it is cut, cut, cut. Now it comes in with this deathbed conversion bill, control on expenditures.

We know that there is waste in this government. There is waste in every institution in this country. There is waste in every family.

We do not need a bill to legislate expenditure control, especially a bill like this that has so many loopholes in it that if all of a sudden something comes along, an economic downturn or whatever, we ignore the bill anyway. What kind of hypocrisy is that?

This is the nation's boardroom. People in Canada are counting on us to put our energy and creativity into ways and means of putting people back to work.

One way to do that is to listen to the small businessmen of this country. As the Minister of State for Finance said yesterday, there are 1,700,000 businesses in this country. If we can mobilize and motivate that force, then we can eradicate unemployment in this country almost overnight.

The one issue that small business, the entrepreneurship of this country, keeps coming back to us on is tax reform. If we were to address that issue, then so many other things would fall into place.

The member for Gander—Grand Falls gave a beautiful example today when he talked about a legal tax preference written into the tax act of Canada which actually encourages a company to invest close to $1 billion offshore.

If we reform the tax act of this country, we could have those capital flows reversing the other way. If we reform the tax structure of this nation, we could have the capital flows, the investment coming this way.

The foreign investment in this country in the last 18 months is down close to 50 per cent.

There are many reasons for that. Many of those foreign investors will cite our tax designs as being one of the reasons they are frustrated or why they do not have that extra energy, that extra burst of enthusiasm to try and invest in this country.

If we were to change the tax act and get the capital investment flows back into this country, that would allow and create a situation again where the entrepreneurs would have the capital to buy new equipment and new technology. This would allow us to be even more efficient. All of that can be done through the tax act.

What have we done? The core problem, the fundamental problem, the problem that we hear of when we go door to door and store to store in our communities, and it does not matter what region of the country, it is every region where people tell us is that the tax designs are not working. What do we do instead of listening? We throw the GST at them, a paper burden, a disincentive to productivity, a disincentive to tourism. It is unbelievable.

• (1220)

I cannot believe the rumour I hear right now. Some groups are saying that we should cut the GST by 1 per cent and that will make things better. Cutting the GST by 1 per cent would be an insult to most Canadians. They want the GST scrapped. It must be scrapped. We must come up with an alternative.

My leader has said repeatedly that it will be scrapped. Make no mistake about that, and the press should not make any mistake about that. We are scrapping that GST, if it is the only thing we do. It is affecting the spirit and it is affecting the productive capacity of this country in every region.

Yes, it will be tough to reform the tax act of this country. That is the kind of legislative agenda that we should be taking on in this House rather than, as my colleague the critic for finance stated earlier, some piece of legislation that is only cosmetic.

I believe the people of Canada see through that smoke and mirrors, that cosmetic approach. They are not going to buy it. The time is now, because the situation is so desperate, that we do something about this issue. The government should reflect at the end of today's debate on this bill respecting control of government expenditure and realize that the nation does not want to hear about some little gimmick for controlling expenditures that has all kinds of loopholes and options for change whenever the government needs them.

This is the nation's legislature. Many people on that side of the House think that the cabinet runs this country. It is not the cabinet. This is the debating room on issues of concern to the people of Canada. It is not the cabinet. They can go back to their cabinet, take their decisions and be responsible for them. People are talking about unemployment, tax designs, and some of the desperate situations like that faced by the fishery in Atlantic Canada right now. They want them debated in this room, and not in the middle of the night. If it has to

be the middle of the night, fine, but they want them put on the floor of the nation's boardroom. Today we have some little silly piece of legislation on expenditure control. There is absolutely no logic. It shows once again that the creative juices of this government have lapsed.

I support my colleague, the member from Windsor, our finance critic who said: "Let's go to the people and let them decide whether or not this government has the best policies for the people of Canada". The government keeps bragging about this fiscal comprehensive plan that is dismantling everything in this country. Let the people decide whether or not this program, this crazy journey that it brags about and has taken us on, is the right way to go. I support the approach of the member.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I am pleased to be able to rise to speak on this piece of legislation. This bill is entitled an act respecting the control of government expenditures. It is in the same vein and the same tone as voodoo financing that we have become accustomed to in British Columbia with the whole question of BS funds, budget stabilization funds, where moneys were moved back and forth on paper. They have now found out that they are not even in existence. It is based on the whole concept of what the government has said: "We are out of control. We have no ability to control our own expenditures. We are undisciplined. We are irrational and therefore we have a legislative framework that forces us to be disciplined, to be rational and to follow fiscal restraint".

When I was first out of university I worked in juvenile corrections, including juvenile courts and juvenile detention centres. In those centres it was very typical to have kids who were out of control, who acted impulsively, who acted irrationally, and who even acted not in their own best interests. They would do things while they were in the facility. They would pick unnecessary fights. They would damage property. They would do all kinds of things.

I remember one time somebody came along and said: "Look, all we really need is to make some rules for these guys. Let's make rules that you have to be nice to everybody. Let's make rules that you cannot pick fights with other people or with staff". They were all good intentions. People thought if they brought in these rules everything would be nice, but of course it did not work because the kids did not have the self-control, the self-discipline and the maturity to abide by those rules. That is why they were there.

That is what we have with this federal government. It is in fiscal difficulty because it does not have the fiscal maturity, the fiscal responsibility and the fiscal know-how or commitment to deal with its financial expenditures, mounting federal debt and the deficit.

What does it do? It says: "Let's bring in some nice rules that say we must be disciplined. If we are going to have expenditures, we have to find out where the revenues are. We have to offset them. We have to bring some order to our expenditure and revenue program".

It is so laughable it is like the juveniles in the detention centre. Rules are going to do nothing for this government, because if it is undisciplined and fiscally incompetent it is simply going to break those rules and there will be continued chaos.

I am beginning to be tremendously delighted about the way this government plays the shell game, particularly projecting and controlling expenditures in a period long after it is going to be defeated. Its members have no discipline themselves so now they are trying to say: "We will put in controls and project a discipline to the year 1995", knowing full well that they will not have to abide by this legislation because they are not going to be here.

If they called an election today they would be gone in six weeks. If they happen to limp along until the fall of 1992, they will be out of power then. It is like many of their expenditure announcements when they talk about spending $147 million on family violence and we find out it is only $15 million this year and a little under $20 million next year. The rest of it is often in Never Never Land. Voodoo economics, voodoo at least. Government members talk about bringing in discipline and an understanding of fiscal control. I have been an administrator for most of my life. I have controlled large budgets. I have handled base line budgeting methods, zero based budgeting methods and all sorts of fancy terminologies brought in by various governments and organizations in terms of fiscal control.

• (1230)

The reality is that none of them work unless there is a will and an understanding of fiscal restraint and accountability among the people involved in decision making, and we have not seen that in this government.

The government is quick to say it had to do something because it has this mounting debt problem. There is no doubt that we now have, thanks to Liberal and Conservative governments, a very difficult debt problem.

We know that an analysis has been done as to what has caused the debt problem. Statistics Canada pointed out that 44 per cent was caused by tax loopholes and tax concessions to large corporations, that 50 per cent was caused by high interest rates, and 6 per cent by program expenditures.

An hon. member: What about tax breaks?

Mr. Karpoff: Well, 44 per cent is caused by the reduction in moneys that should have been paid but were not paid, which means the average Canadian has had to pick up more.

The Liberals left a legacy of a $160 billion debt. I could speak a long time about the incompetence of the Liberals and that debt. Let me just go on. The government has blamed the Liberals consistently that the debt is simply a rollover starting from the $160 billion and is nothing but compound interest.

This government has had a high interest rate policy. There is absolutely no reason over the last number of years that interest rates have not been at least 4 per cent lower than they have been on average. If we had started off in 1984 and had our interest rates 4 per cent lower right across the board, the first year we would have saved something over $6 billion in interest rate payments. This year we would be saving something like $16 billion in interest rate payments.

They could have taken that $6 billion and reduced the deficit on an ongoing basis from 1984 until now. The Tories could have plugged those tax loopholes from day one, after they were elected. They could have brought in some fair taxation so that companies like Alcan, which in some years made $250 million or $230 million, would have paid taxes. The estimates vary a little. Some people say that the tax loopholes cost us $12 billion a year; other say $16 billion. The Tories agree that it is only $9 billion a year.

Let us take a round figure of $10 billion a year. If the Tories had plugged that loophole in 1984 and saved that $10 billion a year, plus the $4 billion a year in interest rates, and compounded it forward over the eight years they have now been in government and done nothing else, just those two things, we probably would have almost no deficit in this fiscal year. Somehow they can sit there and say: "We are not responsible because we were left with this legacy".

An hon. member: What do you think Bob Rae is saying now?

Mr. Karpoff: That he got left with this legacy. The government did get left with this legacy and a hell of a mess, the same type of Liberal mess that Bob Rae got stuck with in Ontario. The Liberal government said all the way through the election that there was a $23 million surplus. When the election was over, even before it resigned, it was forced to admit that there was no surplus, there was not even a $23 million deficit. The deficit was hundreds of millions of dollars that the Ontario NDP government was left to deal with.

This government has learned another trick from the B.C. Socred government and it is called "when we can't control ourselves, we'll off-load on somebody else". It is like that juvenile in the detention centre: When the government could not control its own behaviour, it quickly learned to blame somebody else or to make somebody else responsible for it, or make somebody else suffer the consequences of its behaviour.

In the last three to four years this government that cannot control its own expenditures decided it was going to off-load on to the provinces. It started off not only off-loading on to the provinces, but on to workers and small businesses, and it did it with changes to the Unemployment Insurance Act. It said that it was no longer going to put money from the Consolidated Revenue Fund into premiums; it was going to be financed 100 per cent by employees and employers.

It costs my municipality a million dollars a year and it costs the hospital a million dollars a year in increased UIC premiums. Therefore, they had to cut back on their expenditures. Health care institutions and municipalities are going to have to pay.

The government changed the waiting time and the length of time people can collect benefits, which has meant there have been dramatic increases in the demand for income assistance, particularly as we have gone into a recession.

I am beginning to realize that this government knew the recession was coming. It should have known, it was planning it; in fact, it engineered it. One of the first things it did was make itself recession proof: "We are not going to pick up the cost of the recession, so let's get out of UIC. We'll off-load that on to the provinces, we will off-load it on to the income assistance". Then somebody said to them: "Of course you know we have to pay 50 per cent of that income assistance". So the government said: "We will off-load that on to the provinces too".

The government brought in a ceiling for the three big provinces—Ontario, British Columbia and Alberta—in which income assistance is limited to a growth of 5 per cent, knowing full well, because of the changes to the UIC and to the recession that it had precipitated in this country, that the costs were going to go up dramatically. However, it had off-loaded those on to the provinces. You know, the cost to the provinces is going to be at least $5 billion over the period.

Then the government came to such things as the EPF, the Established Programs Financing, which is for post-secondary education. It talks a lot about the need for additional training and education, that that is our route to financial security and competitiveness. But of course it says: "We are not going to pick up the cost of that, we are going to off-load it on to the provinces". The cost to the provinces by the year 2000 will be $64 billion.

So this government simply says: "Look, we have no ability to control our own expenditures; we are out of control so we will simply off-load on to local governments and provinces".

• (1240)

There are other transfer payments that it has off-loaded. The government has simply said to the provinces: "You're going to have to pick up the cost". Some of these are programs which the government sanctimoniously speaks of the need to help. It has off-loaded farm income stabilization, crop insurance, economic development, reforestation, policing, social housing, correctional facilities.

The B.C. government has done an excellent analysis of the impact on the province of the off-loading of federal costs on to that province and the impact on that province. The total cost in this fiscal year is $1.1 billion, out of a total deficit of $1.7 billion. In other words, all that has happened is that the federal government has reduced its deficit by transferring it to the province.

Expenditure controls have not been cut back. The Canada Assistance Plan in British Columbia will have $160 million less this year, $1 billion over a five year period. The Established Programs Financing cutbacks are going to be $6.8 billion by 1995.

I think it is important to remember where these cutbacks started. They did not start only with the Tory government. They were started by the Liberal government in 1982. In fact, out of the total $6.8 billion loss of revenue for EPF between 1982 and 1985 for the province of British Columbia, $2.6 billion is because the six and five program was brought in in 1982.

Here we have the off-loading. When we start looking at it, we find out that really the Liberals not only left the Tories with a legacy of $160 billion debt, they left them with a program and plan of how they can off-load this stuff on to the provinces. They initiated it with block funding in 1977 and then the changes to the EPF formulas starting in 1982 and again in the six and five program. We now know the Tories learned many of these things, not from the Socreds, but from the Liberals.

The federal government is talking about fiscal restraint. The reality is that 20 per cent of its total expenditures amount to transfers to the provinces. In the last three years, over 50 per cent of the restraints have been in cutting back in transfer payments to the provinces. In other words, the bulk of its efforts to reduce its own expenditures have in fact not been reducing expenditures but have in fact been off-loading.

I see, Mr. Speaker, that you are signalling that I have another minute. I just want to—

The Acting Speaker (Mr. DeBlois): Order, please. I am sorry but your time has expired.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have a brief question for the hon. member. I enjoyed his speech very much. I wonder if he could take the House into his confidence and tell us whether or not the New Democratic government in Ontario is going to introduce a bill along the same lines as this one. I noticed that government has taken to copying almost every move of the Conservative government in this House. When the Conservative government cuts back transfers to the provinces the NDP reduces transfers to the municipalities to 1 per cent. It does the same for school boards and for hospitals. Everybody gets 1 per cent now in NDP Ontario.

The NDP says the reason why it is doing that is because of the terrible deficit that was left by the Liberals, and of course the Conservatives in Ottawa, eight years later, are still saying: "The reason we are cutting back the transfers to the provinces is because of the terrible debt left by the Liberals". We all know that the story in both cases is pure hogwash. It is simply an unwillingness to accept responsibility for its own incompetence and the terrible recession that has been brought about by these two governments.

I want to know if the member can tell us, given the apparent willingness of the NDP to copy everything that the Conservatives do in Ottawa, if he thinks the New Democratic Party government in Ontario is going to bring in a bill like this.

Mr. Karpoff: Mr. Speaker, the Ontario government has had to face a number of disastrous economic problems caused by free trade, the high dollar, the high interest rates and the legacy left by the Liberals. The Liberals increased the spending 10 per cent a year instead of trying to develop an economic base that could be diversified and stand some of the pressures around a recession.

Provinces have to pass along some of the cutbacks that this government is forcing on them, particularly through health care. That great Liberal bastion, Newfoundland, as a result of transfer payments had to lay off 10 per cent of all of its nursing staff last year. That is the way the Liberals did it.

An hon. member: That is what is going on in the hospitals in Ontario now.

Mr. Karpoff: They simply laid off 10 per cent because of the cutbacks, but one thinks that philosophically they are on the same wavelength. We now have the Liberal premiers, Wells, McKenna and Bourassa, talking about the introduction of user fees. All the Liberal premiers are advocating a two-tiered health care system, one for the rich and one for the poor, with the introduction of user fees. They say: "Well, that is because of the cutbacks from the federal government in terms of EPF".

I have some empathy with them in terms of the cutbacks from the federal government when they are talking about health care: $64 billion has been taken out of health care; another $32 billion has been taken out in post-secondary education. Provinces like Newfoundland are undergoing a crisis in employment. If Newfoundland's rate of unemployment was the same as Ontario is having right now, it would feel itself very lucky.

We now have a situation where the fisheries is caught between a rock and a hard place, where in order to conserve any of the fisheries for the future generations, hard realities of conservation are going to have to be brought in now. There are difficulties, but you do not see the NDP governments talking about introducing user fees for health care.

The Liberals in Newfoundland had to lay off 10 per cent of their staff and their solution is simply: "Let's bring in user fees. Let's make sure the poor and the middle income persons do not have access to an adequate health care system".

We have a situation now developing in this country where the New Democratic premiers, the four of them, are standing up and saying: "We will protect our national health care program in spite of this federal government and its cutbacks". Premiers Bourassa, McKenna and Wells are advocating the introduction of health care user fees.

• (1250)

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, what a loss of time for this House to have to consider such a ridiculous bill today. It is indeed ridiculous. I fail to see why the government has introduced such legislation. Obviously, it did nothing to put an end to the disastrous economic policies it has been pursuing.

[*English*]

In looking at the reasons for this bill, I can only conclude that its purpose is to bamboozle Canadians into thinking that somehow the government has a grip on its expenditure programs. The speech by the Minister of State for Privatization this morning was further evidence of a complete and utter inability to deal with these issues in a rational and sensible way. It is clear evidence that the government has lost its grip.

While I am on my feet, might I suggest that Your Honour take the power to adjourn this House into your hands, since there is no minister here who is able to respond and listen to this debate on a government measure. It is the practice that ministers must be here for debates on government bills. I would ask you to take the matter into your hands and adjourn the House in the absence of any minister.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member has been in Parliament long enough to know that it is not our pratice to refer to the presence or the absence of fellow members. Although he is referring to an established tradition, the fact remains that it is not an absolute necessity for the debate to continue. I would therefore ask the hon. member to carry on.

[*English*]

Mr. Milliken: I think it shows a complete callous disregard for the importance of this Chamber that this is the case, but I will continue with my speech in spite of this lack of personnel.

I wanted to talk about the fact that the government itself in 1984 indicated how serious Canada's economic situation was. It is from this 1984 report, this 1984 statement if you like, that we learned how terrible it was that Canada had been governed by the Liberal Party for the previous many years. The government went to great lengths to point out that if the policies of the previous government were followed, certain economic consequences of great magnitude would befall Canadians, and somehow our country would simply go to pieces with the continuation of those policies.

Indeed, there was a great deal of trumpeting and fanfare by the then Minister of Finance that the changes he was about to announce were going to solve Canada's economic woes. Somehow by checking the policies of the previous administration, Canadians would be brought from the brink of disaster into a great new golden age.

Unfortunately the Minister of Finance was wrong then, and has been wrong with every pronouncement he has made ever since. The statement applies to both the former Minister of Finance and the current Minister of Finance. Both have failed Canadians and this government has failed Canadians. It has been a disaster for Canada. Canadians are just sitting waiting for an opportunity to throw this government out of office. We are waiting for an opportunity for an election and this bill is an attempt by the government to shore up its dwindling electoral opportunities and dwindling chances. I suggest it is an inappropriate effort. It is a silly ridiculous effort and it is a complete waste of time of this House to introduce a measure as stupid as this particular bill.

The government stated in 1984 that if the previous government's proposals or policies were not changed, then budgetary expenditures would increase by 55 per cent in those financial years between 1983–84, and 1990–91. Budgetary expenditures would go up 55 per cent if Liberal policies were followed. We keep hearing how Liberal policies were the root of all evil. Well, throughout that same period while the Minister of Finance was in office, budgetary expenditures in fact went up by 69 per cent, not 55 per cent as they would have done under the previous government.

Whose policies are to blame for the deficit today? If they had only gone up 55 per cent, think how much we would have saved. They went up 69 per cent because of this government's incompetent policies.

The government predicted that budgetary revenues would have to swell by 76 per cent if the previous government's policies were pursued. In fact they went up by 86 per cent largely because of the enormous additional burden of taxation levied by the government opposite to cover its lavish spending. There is no other reason for it.

It claimed that the deficit would be $37 billion in 1991. It did a little better there. Because it raised taxes so much, it got it down to $30.6 billion, which was barely lower than what was projected. Of course it is now rising and we will hear more about that I expect next week.

It also predicted that the net public debt by 1990–91 would be $407 billion. It was slightly off. It was only $388 billion, an increase of 131 per cent. That is the kind of increase this government brought in because of its disastrous policies of the last five years. Now it is trying to say on the one hand, the reason for the financial crisis in Canada is because of the Liberal debt we inherited. On the other hand, it says that it is now going to bring government expenditures under control.

If this bill is such a great idea today, why was it not brought in 1984 when the Minister of Finance made this famous statement in which he said that Canada was going down the tubes if it followed the policies of the previous government?

If government expenditure is so important today, why was it not even more important in 1984 when it claimed it was solving the problem of excessive government expenditure? It allowed it to increase by 69 per cent in a five-year period.

I will tell you why it is more important today. It is because this government wants to go to the people of Canada in an election campaign and say to the people that it has brought the government expenditures under control, and has passed some bill that somehow magically solves this problem.

This is so transparent and so fraudulent that it cannot bear any reasonable examination. One of the government's own supporters knows what is going on here. He knows that Canadians are being bamboozled by this process. I want to quote the hon. member for Mississauga South who knows more about finance, quite frankly, than the Minister of Finance or the previous Minister of Finance for that matter.

He has been chairman of the finance committee of this House and has a far better grip in my opinion on financial matters than any Minister of Finance this government has ever produced. What does he say? I quote from *The Ottawa Citizen* of July 29. I thank my colleague from Windsor West for his eagle eye in spotting this excellent quotation.

The article said: "The bill to limit annual increases in government spending to 3 per cent over the next five years is a charade" he said. He is especially critical of the exclusion of so-called tax expenditures or tax breaks from the CAP.

Here is an expert in this House on finance, someone who knows more about finance than the Minister of Finance ever did, who said that this bill is a charade. Why are more members on the government side not speaking to this bill? I will tell you why. They are humiliated and embarrassed to have to defend such a completely silly piece of legislation.

Mr. Ferguson: That is why there are no ministers in the House.

Mr. Milliken: They are hiding their faces in shame at the thought of this silly legislation being discussed in this House.

Let's look at the proposal the government put forward. Initially it sent a draft to the Standing Committee on Finance for pre-study. What did the draft say? It proposed 3 per cent per year for a five-year period, for I think a maximum of 15 per cent. It is compounded so we will allow for that. Now they have revised it.

The new bill before us has changed those figures to increase the amount slightly. Why did it increase them? Presumably because it felt it could not keep its expenditures at 3 per cent. In other words, it figured out exactly how much it was likely to increase expenditures and then allowed for the cap to accommodate all their spending plans.

One can only expect the reason for the increase in the level is because there is an election coming up, and it does not want to cut back too much. We hear that the inflation rate in Canada is going to 2 per cent.

We know the government is giving its employees one per cent this year and three per cent next year. Why are we having increases in excess of three per cent? Are those figures going to hold firm? Why are we going to have increases in government expenditure in excess of three per cent if the inflation rate in Canada drops below two as we expect it will according to the most recent newspaper account? I expect we will hear that from the minister shortly.

Why are we spending more? The government says it wants to control expenditures. Its desire to control is dictated only by a desire to appear to control for the purposes of an election campaign. It is not because it genuinely believes that control of expenditures is important. It had seven years to bring government expenditures under control and it has abysmally failed.

[*Translation*]

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

At 1 p.m. the house took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

MACEDONIA

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, Canada should not recognize the republic of Macedonia unless it meets two very specific criteria.

This former component of Yugoslavia must renounce any direct claims it has to Greek territory or those implied by its misleading name.

This republic must drop the name Macedonia. To continue to promote this form of historical revisionism is to perpetrate cultural and historical fraud.

Macedonia is an intrinsic part of Greek culture and history that is of fundamental importance to thousands of my constituents.

Mr. Speaker, there is no connection between Josip Tito and Alexander the Great.

* * *

CROSS-BORDER SHOPPING

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, abuse of cross-border shopping is draining the Canadian economy of an estimated $2 billion to $3 billion a year. Losses to New Brunswick are as high as $200 million.

The abusers of an already generous duty allowance are costing their fellow Canadians their jobs by the thousands. The additional financial burden put on the majority who do not abuse the system is unfair.

The abusers feel no compunction about letting other Canadians pay for their use of our medicare, old age security and all the other Canadian social safety nets.

They do not shop across the border when it comes time to go to the hospital, when they collect their unemployment insurance, when they might have to avail themselves of workmen's compensation.

Perhaps it is time that we devised a way of making these abusers of cross-border shopping even the playing field with the majority the next time they pay a visit to the doctor.

* * *

OLYMPIC GAMES

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, congratulations to Kerrin Lee-Gartner on her outstanding achievement in her gold medal win at the Olympic Games. We are also very proud of her technical coach of four years, Craig Spiess of Thunder Bay.

Other Olympic participants from Thunder Bay are David Walker in freestyle, Kevin Dahl in hockey, and Peter Robertson-Stovel in bobsledding.

While praising our Olympic champions we should not lose sight of the many thousands of Canadians who dedicate their lives to help develop our Olympic athletes. People like Craig's parents, Marilyn and Larry Spiess who operate and own Mount Baldy ski area in Thunder Bay. Their dedication and devotion to skiing, and the dedication and devotion of so many thousands of Canadians like Marilyn and Larry, is the glue that makes Olympic hopefuls into Olympic champions.

So today we salute the many thousands of Canadians like Marilyn and Larry who independently, without government assistance, bring our Canadian athletes to the threshold of greatness. This House salutes them all.

* * *

SPORTS FISHING

Mr. Steve Butland (Sault Ste. Marie): The federal government has demonstrated its inability to handle the east coast fishing industry and possibly will repeat this mismanagement in the Great Lakes.

The stocks of whitefish, trout and salmon are threatened by a predator, the lamprey eel, which unless controlled could destroy a thriving sports fishing industry.

Through an agreement signed by the U.S.A. and Canada, a funding arrangement of 69 per cent and 21 per cent respectively was signed in 1955.

Canada has continually dragged its feet in funding commitments. This year the U.S.A. has committed an 18 per cent increase and to this point Canada has not responded. A $3.5 million investment could preserve a $1.4 billion industry.

Our Canadian workers in the field have tremendous expertise but cannot respond appropriately because of funding constraints.

Why doesn't the much-heralded green plan respond with funding to deal with this problem?

President Bush, an avid angler, appreciates the importance of this issue. He has baited the hook and we ask the Prime Minister to bite.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, I have had the opportunity over the past few weeks to meet with several farmers' organizations in my riding. Dairy, beef, pork, poultry and egg producers, they are all concerned, and rightly so, about the ongoing GATT negotiations. Canadian farmers have developed a supply management system at the cutting edge which regulates their production and allow them to make a decent living by operating their farms.

Let me tell you, as a member representing a riding which mostly depends on farming and having been raised on a family farm, that I share the concerns of the rural community regarding the unclear positions the media reported government has been taking at the GATT negotiations. Our farmers need to be reassured about the position being put forward by the government of Canada in Geneva and to know that it will keep supporting vigorously the strengthening of article XI of GATT. Mr. Speaker, I urge government to stand firm and not to renege on its commitment to the farm community.

[*English*]

FISHERIES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the headlines on slashed cod quotas bring home the meaning of sustainable development and illustrate dramatically what can happen to fishermen, to farmers, and to loggers when we fail collectively to manage our natural resources properly.

Why is there a cod crisis? It is because for years more cod have been harvested than could be naturally renewed. Consequently, our fishermen are bearing the brunt of past mistakes. The situation is made worse by foreign fleets overfishing outside the 200-mile limit.

If future generations are to have a chance to earn a living off the Grand Banks then Ottawa must unilaterally take over management of the fish stocks on the Grand Banks outside the 200-mile limit.

This is an emergency which calls for emergency conservation measures.

* * *

BREAST IMPLANTS

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I would like to congratulate the Minister of National Health and Welfare who recently announced the creation of an independent committee of experts to study silicone gel-filled breast implants.

This committee will travel to Washington, D.C. and review all current information on these implants. They will also have access to all documentation available to Health and Welfare Canada. They will make a preliminary recommendation to the minister before February 28.

This action clearly shows that the minister's priority is for the health and welfare of Canadian women.

* * *

FISHERIES

Mr. Dave Dingwall (Cape Breton—East Richmond) Mr. Speaker, the situation in the Atlantic fisheries is of fundamental importance to our economy, to the social welfare of our citizens and to the Canadian environment.

I am appalled that the Government of Canada which has the sole responsibility both constitutional and otherwise to manage our fisheries has acted so negligently on this most important issue.

The question must be put. Who is managing our fisheries? Is it the Department of External Affairs? Is it the Department of Fisheries and Oceans? Or is it the foreign capitals in Spain and Portugal and other foreign countries?

The situation in Atlantic Canada is of paramount concern to all Canadians. They have seen by the demonstrable acts of this government the negligence that it has put forward in terms of managing our fisheries.

I urge the Minister of Fisheries and Oceans to take heed of the advice he has been given by all members of this Chamber in order to change a very, very serious situation.

* * *

CANADIAN CHARTER OF RIGHTS AND FREEDOMS

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, Canadians can have their house expropriated without a hearing to determine fair value. There are many legal opinions that there is no legal recourse.

Mr. David Stratas of a noted Toronto law firm said in a paper released recently that the charter does protect some interests which can be said to be proprietary in nature.

The absence of a specific provision enshrining the right against confiscation of property unless it is in accordance with the principles of fundamental justice means the arbitrary and irrational exercise of power. Mr. Stratas writes:

> There are reasons of varying strength which support putting property rights in the charter. These are:
>
> (a) The right to property is not unknown to our law;
>
> (b) The right to property is one of our oldest common law rights; and
>
> (c) The right to property plays an important role in furthering other important rights.

The right to property would have been useful in preventing government excesses in the past.

• (1410)

The Canadian Charter of Rights and Freedoms should be amended to guarantee property rights.

* * *

[*Translation*]

ISABELLE AND PAUL DUCHESNAY

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, it is always frustrating not to be able to do what one wants. That is what Isabelle and Paul Duchesnay said after they participated in the Olympic Games in Albertville.

These two residents of my riding in Quebec represented France because they were not recognized by Canada. They said that they were very disappointed about the pressure put on them to change their whole program, not to mention that the lowest mark was given to them by the Canadian judge.

It seems that they are criticized for being innovative and wanting to outdo themselves. It seems that they are criticized for being distinct. What a funny coincidence, Mr. Speaker.

I want to extend hearty congratulations to Isabelle and Paul for representing us so well, with such determination and style.

On behalf of Quebecers, I want to give them a gold medal.

Hats off to Isabelle and Paul. Quebec is very proud of you both.

* * *

[*English*]

FORESTRY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, from March 2 to March 4, members of Canada's forestry community will meet in Ottawa at the National Forest Congress sponsored by the Canadian Council of Forest Ministers and the Canadian Forestry Association.

They will discuss implementation of a new national forest strategy. The strategy entitled "Sustainable Forests: A Canadian Commitment" is important for several reasons.

It makes a series of commitments on behalf of decision makers and stakeholders in Canada's forests to adhere to meaningful codes and standards of forestry practices, to

balance the differing values placed on forests by society, to enhance the role of Canada's aboriginal peoples in forest management, and to ensure Canada's work force is adequately trained to take advantage of new technology and new knowledge.

It will also ensure that forest industry practices are environmentally sound, that they protect significant forest eco-systems and that they ensure timber harvesting and forest regeneration are kept fully in balance.

This strategy is an example of the emerging spirit of co-operation and the willingness among all forest stakeholders to become partners in the next generation of forest management.

Literally, this strategy should become a Canada forest accord to serve all Canadians.

* * *

BREAST IMPLANTS

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, yesterday the Minister of National Health and Welfare announced the establishment of an advisory committee to study silicone breast implants.

While it is difficult to condemn the minister for finally taking this action, it is, like all others taken by the minister, far short of what is needed.

This committee will not add to what is already known about the dangers of silicone implants. The information this committee will have access to is not new. It has been, or should have been known to the health protection branch for years.

What has been lacking is the commitment from successive Tory and Liberal ministers of health to safeguard Canadian women's health.

We have seen the scientific evidence. We have heard the anecdotal evidence of women and yet, the best the minister can offer is another review.

Where is the commitment to treatment and testing? Where is the commitment to proper counselling and information about implants and the dangers they possess?

Where is the commitment to listen to women and ban silicone implants and refuse to allow their future use until such time as their safety has been demonstrated?

Where is the commitment of the Minister of National Health and Welfare to Canadian women?

* * *

[*Translation*]

CANADIAN OLYMPIC ASSOCIATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, further to statements made by journalist Réjean Tremblay in *La Presse* on February 13, 1992 concerning the benefits enjoyed by senior officials of the Canadian Olympic Association at the Albertville Olympic Games to the detriment of Canadian athletes, I would like to give a summary of the income of the Olympic Trust of Canada from 1989 to 1992: advertising, $12.3 million; donations, $2.5 million; endowment fund, $16.4 million; federal government, $2 million, a mere 6 per cent of the total budget of $33.2 million.

The Olympic Fund is not financed by the federal government; this fund covers the financial campaigns of the Canadian Olympic Association. The federal government's contribution is limited to expenses related to running the organization and to the travel and accommodation of the official team at the Games.

* * *

[*English*]

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the latest scientific evidence on the northern cod stocks has sent shock waves across Atlantic Canada, to the fishing communities across Newfoundland that depend on these stocks, and to communities in Nova Scotia, such as Canso and Port Bickerton whose fishermen ply these waters as well.

The findings confirm what several studies, including the Harris panel, and fishermen have been telling this government for more than a year.

These cod stocks are in trouble. The combined pressure by foreign overfishing, by a burgeoning and voracious seal population and, yes, by our own fishermen over the years is not sustainable. We cannot allow this

vital resource to be decimated. This is not the time for finger pointing. It is the time for purposeful, decisive action.

This government must act immediately in concert with provincial governments and the industry to relieve the pressure on the northern cod. It must move, finally, to control the seal population and it must get tough with those countries, principally Spain and Portugal, that are blatantly overfishing these stocks. If they will not listen to reason, maybe it is time for stronger measures.

* * *

[*Translation*]

OLYMPIC GAMES

Mr. Marcel R. Tremblay (Québec—Est): Mr. Speaker, I am proud to address the House again today in praise of all the Canadian athletes at the Albertville Olympic Games.

First off, I would like to mention the performance of Miss Kerrin Lee-Gartner from Calgary, Alberta, who won the first Olympic Gold Medal for Canada in the women's downhill.

I am particularly proud of our athletes' showing in acrobatic skiing and I would like to personally congratulate someone from my region, Mr. Philippe LaRoche, from Lac Beauport Quebec, who won first place in the jumps, as well as his teammate, Nicholas Fontaine, from Magog, Quebec, who came in second.

Even though acrobatic skiing is only a demonstration sport and their medals are not taken into account in the final classification, these two athletes gave an outstanding performance.

Let me also underline our best olympic performance in the men's biathlon 4 X 7.5-km race, where Steven Cyr, from Val-Cartier, Quebec came in tenth.

I am sure, Mr. Speaker, that you will join me in congratulating those athletes and in celebrating Team Canada's first victory over Germany just a few minutes ago, in overtime.

[*English*]

GUYANA

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, some time this year Guyana will hold a general election. Guyana has a history of flawed elections. While some changes have been made under President Desmond Hoyte to reform the political system, the Guyanese government still has a long way to go.

Canada and other countries have to urge the Guyanese government to implement strict election reforms. Free and fair elections in Guyana must become a reality.

I want to be sure that Canada takes measures to ensure that the election will run smoothly and democratically. Canadian observers must be on hand to guarantee the Guyanese people a free and fair election.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a question for the acting Prime Minister.

For two years now, the Minister of Finance and the Prime Minister have been telling Canadians that things are getting better. The Canadian people would like to believe them, but they keep hearing about new plant closures and lay offs every day on the news.

Just yesterday, Hyundai announced a three-day reduced work week for its plant in Bromont, Quebec. And today, Dominion Textiles announced it was closing its plants in Saint-Thimothée, Quebec, and Long Sault, in Ontario, with a total of 624 workers being laid off.

In his forthcoming budget, will the Minister of Finance forget about wrestling inflation and make sure that Canadians regain their dignity by getting back to work in well-paid jobs?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. gentleman opposite takes great pride in citing negative news. Perhaps he might be interested in some good news. Today the *Financial Post* reported that store sales show signs of life. Department store sales bring hope to sector. Housing sales are up in January. I think those are all good indicators.

We know very well that we are going through difficult times. It is very difficult in pulling out of the recession, but the fundamentals are right. I think Canada is well poised to take advantage of the encouraging signs that are clearly on the horizon.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, talking about somebody needing a bit of life, it is this government which should at this time do the right thing for Canadians.

• (1420)

I would like to ask another question of the Deputy Prime Minister or perhaps the Minister for International Trade.

The statement made by the Prime Minister in Peterborough talks about the NDP or the unemployed. It might be the same thing after the next election. I want to know if the Prime Minister—

Some hon. members: Oh, oh.

Mr. Chrétien: I am sorry, I wanted to be nice. I want to ask the minister if the statement made by the Prime Minister is true, and I hope it needs no correction, that the government has no intention of presenting a tariff list at the GATT by the end of this month concerning the products that should be excluded under the GATT list asked for by Mr. Dunkel.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I hate to answer this question and get in between in this lover's quarrel over here, but let me respond.

The Prime Minister and a number of ministers met earlier today with farm leaders and talked about the GATT negotiations, in particular their response to the Dunkel text and the need to put forward tariff positions for March 1.

We, as my hon. friend is very well aware, do not accept the Dunkel text as it relates to the supply managed product and our position, as put forward on March 1, will reflect that position. In other words, we will not put forward any tariffication numbers or anything such as is requested by the GATT Dunkel text.

* * *

FISHERIES

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I am happy that there will be no list, but the problem remains the same in Canada. Because of the uncertainty created by this government, we see farmers being driven off the land everywhere in Canada. Now we see fishermen being driven off the sea.

Yesterday, the Minister of Fisheries and Oceans got up in the House and spoke a lot of words. What has been the reaction in Atlantic Canada? It is despair for 2,000 fishermen who will lose their jobs because of the mismanagement of this government.

I ask the Minister of Finance if his government will do something to preserve the dignity of these hard workers of the sea.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, since there has been no decision made as yet with reference to the question of the total allowable catch of northern cod for this year or exactly what action will be taken in connection with the new advice from the CASSAC committee, no one can seriously estimate what the effect might be of any change to it until a change is made.

There will have to be changes and there will be an effect, but the statement that 2,000 fishermen will be out of work is very inaccurate. There will doubtless be some plant workers out of work and some trawlermen will certainly be affected, but I think the 2,000 fishermen figure is far too great an estimate.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, foreign overfishing is a matter of political will and would have stopped long ago if the Prime Minister had chosen to take it on.

The Minister of Fisheries' sin is not that he does not understand or has not spoken out on the issue, albeit belatedly. His sin is his continuing presence in a cabinet which by failing to act is ruthlessly trampling on the

livelihoods of thousands and thousands of his own constituents.

Will the minister put the job security of those plant workers and those fishermen ahead of his own and tell the Prime Minister he can no longer aid and abet this cowardly bungling on the overfishing issue?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I am one of the few members of this House, if not the only member, who has ever resigned from a cabinet. I would be unafraid to resign from another cabinet if I felt it was not doing its duty for this country, but that is not the case. This government and this cabinet have done more with respect to the question of foreign overfishing and more to assist fishermen in Newfoundland and elsewhere in Atlantic Canada than any predecessor.

The problem of foreign overfishing is not a question of political will. It is a question of international law, that this country has no authority or jurisdiction whatsoever outside the 200 mile economic zone that was accepted by the world in 1977. That does not mean to say that our patience is inexhaustible. We have campaigns under way, I will not go into them now, for this year and we will be dealing with this matter in a forthright and an even more dedicated way than in the past during this calendar year.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, there he goes again. He continues as he has been doing to make some vague mutterings about what he might do a year or two down the road and in the same mouthful says he cannot do anything. Well, we do not have a year. What is the minister going to do, I ask him, now that his sweet talk has failed him and now that he has been abandoned by his political cronies over there. The only tool he has left is his integrity, and he has a lot of that. I ask him, will he put that on the line to light a fire under the Prime Minister to get this thing moving?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I do not have to put a match under the Prime Minister for him to do something. We are not in the kind of difficulty that the opposition party is in. The Prime Minister has already brought this subject up and pressed these points home in meetings with President Delors and other leaders of the European Community, and he is going to continue doing that.

I met with him last night to discuss and plan what our next moves will be. We have his full support and he will be an invaluable help in this cause during this year.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister.

There are thousands of Atlantic Canadians who could be within days of losing their jobs. Certainly we are all concerned about the consequences for the people of Atlantic Canada.

The government was warned of the situation in the fishing industry two years ago and did nothing. The government was warned many years ago about the cost of overfishing the Atlantic region and did nothing. The Minister of Finance just said that they are getting the fundamentals right in the economy. Well, they did not get the fundamentals right for Atlantic Canadians. They did not get the fundamentals right for those Atlantic fishermen.

I want to ask the government and the Deputy Prime Minister why two years were wasted and what the government plans to do for those Atlantic Canadians who would be put out of work because of this government's mismanagement.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, to say that the government was warned two years ago and did nothing may be fine as a piece of rhetoric, but it is certainly not factual.

Several years ago the government was told, not warned, by its scientific advisers that the advice given by them in the previous three years was inaccurate and they had to revise all of their forecasts. The government acted on that. The total allowable catch of northern cod has been reduced from 266,000 tonnes a year to 185,000 in the present year. That was action.

The Atlantic Fisheries Adjustment Program totalling $584 million was brought in to deal with the consequences. Is that nothing, or is the hon. lady opposite just

practising political rhetorical excesses in an attempt to gain points?

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, a supplementary for the Minister of Finance. The Minister of Finance said this government is getting the fundamentals right. I would suggest that the Minister of Finance talk to the 1,000 people who are out of work in Fishery Products International in Atlantic Canada, to those at Sears Canada where 800 jobs were lost in Atlantic Canada; Dominion Textiles where 330 jobs were lost; St. John's Shipbuilding where 250 jobs were lost, and so on.

I ask the minister, can Canadians expect to see some hope? Can Atlantic Canadians expect to see some hope in the budget which this government will bring forth and what is it going to do for those Canadians that its policies have put out of work?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the people in Atlantic Canada can see all around them the tremendous efforts being made by this government to create employment in Atlantic Canada.

Some hon. members: Oh, oh.

Mr. Crosbie (St. John's West): Mr. Speaker, noise is not going to drown out the truth, no matter how loudly the opposition shouts.

Just to give an example, in the last several years we have had an action program of ACOA. In the province of Newfoundland, 1,580 projects were assisted with $169 million, creating and maintaining over 17,000 jobs, not to mention the Hibernia project with a government commitment of $2.7 billion and hundreds of millions more committed to the fishery, just in one of the Atlantic provinces. That is a fine record, and one that I am proud to support.

• (1430)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, Canadians have seen the fish go to Portugal, Spain and France. They have seen the jobs go to the United States and nothing for Atlantic Canadians.

[*Translation*]

Fishermen are in the same dreadful situation as farmers. Government has been warned. If it agrees to do away with marketing boards at the GATT negotiations, thousands of family farms will disappear and, with them, thousands of jobs. I ask the Deputy Prime Minister this: Is he prepared to sign that kind of agreement? If so, how will he make sure that all these farms will survive and all these jobs will not be lost?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, the Prime Minister and several of my colleagues were meeting with farm leaders just minutes ago. First, the Prime Minister has reaffirmed that the Canadian position is unchanged and that we will continue to vigourously support our farm product marketing boards.

At the same time, we have invited our farm leaders to take part in a European mission to meet with their European counterparts, to call upon both the political and farm leaders of these countries for support. Our proposal has been relatively well accepted. As a matter of fact, we are planning to meet again in a few minutes, after Question Period, with a hundred or so Canadian farm leaders gathered in an Ottawa hotel to discuss this issue further. I am happy to see that farm leaders and government are finally realizing that we have but one position and that we need to stand united if the Canadian position is to be successfully endorsed.

[*English*]

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is for the Minister of Fisheries and Ocean.

I want to put another perspective on this foreign overfishing. The year 1991 will go down on record, a 15-year record, for being the year with the worst catch for Atlantic fishermen and the best catch for foreigners fishing the same stock, the worst of times for Canadians and the best of times for foreigners. That contrast is shocking. The comparison is atrocious and shameful, and I think the conclusion is very clear. Something has to be done now.

I do not care what the minister says. It is a question of political will. When will this government have the political will to stop talking and start acting?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I understand that the hon. member represents a great many fishermen. I can

understand his frustration. I hope he can understand my frustration.

If it were simply a question of political will, there is no one in this House that has any more political will than I have. It would not be a problem any longer if it were a question of political will. It is a very delicate and intricate question of international relations where this country has no rights beyond the 200-mile limit.

It is not that there has been no action. I have outlined for the House all kinds of actions that we have taken. If the European Community and the nations that make it up do not pay attention to the steps we are going to have to take in the next month or two and to the advice that we have received from our scientists then we will know there has to be a change in direction in what we are trying to do to persuade them to observe and exhibit some conscience about the waste they are making of the assets that belong to the whole world outside the 200-mile economic limit.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my supplementary question is for the same minister.

I would suggest that the minister has a very short memory. On January 9 in St. John's on NTV, the minister was reported to have promised unilateral action if the European Community did not stop overfishing. Time has run out. They haven't. He hasn't. They won't. So when will he show the political will to take the unilateral action that he promised on January 9?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, if we looked at the transcript I think we would see that nothing was promised in the extreme terms the hon. gentleman mentioned.

The government has taken many unilateral actions to deal with this situation. As I pointed out in a speech in London earlier in January, if nothing further is accomplished this year, if the European Community and the nations that have vessels registered in Panama and otherwise do not heed the cries of humanity that they should practice sensible conservation methods in the northwest Atlantic then anything is possible.

Hon. William Rompkey (Labrador): Mr. Speaker, my question is also for the Minister of Fisheries and Oceans.

Two years ago in Black Tickle two million pounds of fish were landed. Last year not a single pound of fish was landed in Black Tickle. Whole communities on the Labrador coast face being wiped out completely. Whether the minister likes it or not, he is accountable.

What answers does he have today for fishermen who face losing their livelihoods and their homes? What answers does he have for them today?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, in my view, with the approaches that we have taken and we are taking, the fishery will come back and the northern cod fishery will flourish again. There is going to be a period when it is not flourishing.

With respect to Black Tickle, to take that particular instance, what did the government do? It brought in a nice compensation program that compensated every fishermen in Black Tickle who was prevented by ice from fishing. That compensation amounted altogether to $37 million.

Then the government brought in the Atlantic Catch Failure Program to help the fishermen of Black Tickle and other fishermen so that they became qualified for unemployment insurance. If the same terrible circumstance affects them again this year, similar kinds of assistance will come to them until they can properly fish again and catch as they were doing several years ago and as they are going to do again in the future.

Hon. William Rompkey (Labrador): Mr. Speaker, the people of Black Tickle on the Labrador coast do not want handouts.

They want jobs and they want to be able to fish. They do not want simply to be looked after by this government. They live closest to the resource. Many of them are native fishermen, and yet their catches go down and the catches of foreigners go up.

How does the minister explain that, and when is he going to stand up for Labrador fishermen?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I believe that the fishermen

of Labrador understand that the minister of fisheries cannot create the fish and that this is a problem that has arisen over a long period of years.

It is not a problem that is going to be resolved quickly. It may be several years before it is resolved or there could be a good fishery this year. We will have to wait and see.

In the meantime, the fishermen of Labrador are receiving assistance from the government to maintain them while this environmental circumstance or whatever the circumstances are that are causing this are overcome. We will continue to support them. That is all any government can do. I cannot put fish in the sea.

We have followed the scientific advice of CAFSAC all of these years. This circumstance has arisen despite the fact that Canada has always been very cautious in the TACs that Canada has set.

* * *

HEALTH CARE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

The Liberal premier of New Brunswick has now joined the Liberal premiers of Quebec and Newfoundland in seeking user fees for medicare which are strenuously opposed by the New Democratic Party.

In the words of Glen Clark, the B.C. Minister of Finance, "all four NDP administrations will be leading the attack on the federal government if Ottawa tries to water down the Canada Health Act to allow provinces to impose user fees".

Will the minister tell the Liberal premiers categorically that user fees will not be accepted in any disguise?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I am trying to find the relationship between New Brunswick and British Columbia. Mr. Clark, Mr. McKenna and myself are having a little trouble because there is no relationship.

I already said to my friend and to all members of the House that I think it is legitimate for the premiers to look at the cost of the health care system.

My predecessors and myself have always said that we believe that we do not have to change the rules or the principles. It is not our intention to do so. I do not understand why my friend is getting nervous.

• (1440)

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my supplementary question is for the same minister.

The minister also knows that the cut to federal medicare contributions which will amount to $4 billion next year are prompting these threats to our national medicare system. Since the cuts are substantially eroding provincial health services, will the minister live up to the Canada Health Act guarantees and restore funding in the upcoming budget?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I am surprised the member does not know that all the provinces including those with NDP governments have already said that there was enough money in the system. This includes the member's NDP government in British Columbia.

In other words, 9 per cent of GNP in the country is enough to manage the health care system. At the same time, following the direction given by the Minister of Finance, we have to control the finances of the country. I believe what has been done was well done and moreover we do not believe, including his own friends, we have to put more money. We already do.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question was intended for the Prime Minister, but I will direct it to the minister responsible for agriculture in Quebec. Last Wednesday this House unanimously adopted a motion asking for the Prime Minister's personal involvement in the GATT talks, with President George Bush and the President of the European Community, Mr. Jacques Delors. Could the minister let us know whether tomorrow the Prime Minister will be able to give us a detailed report on his meetings with these very influential figures on protecting and safeguarding GATT article XI?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, we will do better than that. We won't do it tomorrow because the Prime Minister did it today. Only a few minutes ago he met with farm leaders, as I told the leader of the New Democratic Party.

The Prime Minister met President Delors for over three hours in Paris just a few weeks ago. He had conversations with the leaders of various countries, including Germany and the European Economic Community. He also had talks with the British Prime Minister. As he said this morning, he will be getting in touch with these leaders in the next few days to reaffirm Canada's position. As matters stand, we must feel we are supported by everyone here in Canada, and I would ask the hon. member to support farm producers and the government on the mission we will attempt once again when we go to Europe in the next few days to look for allies. I hope the hon. member will be with us to support us. That is what we need.

Mr. Mark Assad (Gatineau—La Lièvre): I can assure you, Sir, that we stand behind our farmers, but I am not so sure the farmers believe you, and that is the problem.

The question is this. Last Wednesday, a motion was adopted by this House asking for the Prime Minister's personal involvement. That is what farmers expect to happen this week because they will be in Ottawa at one of their biggest gatherings. Can you give us the assurance the Prime Minister will make a personal commitment to these farmers?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, with respect, I will explain once more. The Prime Minister just spent two hours with Canadian farm leaders during which he unreservedly reaffirmed the Canadian position and our government's support for a position that we have been defending at GATT for two years. I realize this does not really suit the members of the Bloc Quebecois. They would rather see us miss the target, which would probably give them a boost at the national level. However, we intend to defend our position, no matter what. We stand behind our farm producers and we will continue to defend them.

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister for International Trade. The Prime Minister said in Peterborough last Friday that Canada would not be filing tariff schedules on March 1 as required in the GATT arrangements.

I want to ask the Minister for International Trade if this means that Canada, when it files its commitments for agriculture, will simply be providing that import controls for those supply managed products will be provided through a strengthened and clarified article XI. If that is the case, will the government be getting the support of the other five nations who support our position for a strengthened and clarified article XI?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, in response to a question from his colleague just a few minutes ago, I said that we would not be filing tariff schedules on the supply managed products. We will be filing tariff schedules on all other products so that we will be fully engaged in negotiation.

As my hon. friend is well aware, and I know he supports the position that we are taking, we are seeking a strengthening and clarification of article XI. We believe the approach that we are taking on March 1 is fully consistent with that.

Mr. Maurice Foster (Algoma): Mr. Speaker, I think we would be much more comfortable if the government would simply be filing with the GATT negotiations that we want to maintain our import controls through a strengthened and clarified article XI and that we would seek the support of the other five countries that support our position.

Last week the House of Commons passed a joint resolution calling on the Prime Minister to become personally involved in the GATT negotiations, to meet with the President of the United States and the President of the European Economic Community.

Farmers want to know what the government has accomplished in six years of negotiations. We have only five countries supporting our position. What has the government actually accomplished? When is he going to

meet with the two presidents? When is he actually going to accomplish something to save these farmers and 100,000 Canadian jobs?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend is very well aware that the Prime Minister has been very much engaged in this issue for a number of years now, going back before the 1986 summit.

The Prime Minister met with farm leaders, went straight to the Tokyo summit and put agricultural issues on the summit table for the first time. That has continued at every summit since then. It also continues at a number of other meetings that the Prime Minister is involved in, some of which are not related to agriculture but the Prime Minister brings those matters up at the meetings because of the seriousness with which he views these agricultural issues. He has raised this matter with other G-7 leaders.

* * *

THE BUDGET

Mr. René Soetens (Ontario): Mr. Speaker, the government has been involved in some very extensive consultations with numerous people, not only the first ministers in a very public meeting here in Ottawa, but through numerous other consultations. Even in this House the government gets lots of free advice on the budget.

I would like to ask the Minister of Finance if he has completed his consultation process and is he ready to announce the date of that budget?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I can advise my hon. colleague and the House that it is my intention to bring a budget down on Tuesday, February 25.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is for the Minister of State for Agriculture and concerns the government's position on protecting marketing boards and article XI.

What we want to know from the government is not all the meetings that were held, the trips to Europe, the telephone calls with our European friends and how long the calls lasted. That is not what we want to know, Mr. Speaker. What we want to know, and I ask the minister, is whether he is prepared on behalf of the government to refuse to sign any agreement that would not maintain article XI and marketing boards.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I will certainly not compete with the hon. member for the number of times we have been to Europe. I know that he would win in that department.

• (1450)

However, I will not allow the member for Lac-Saint-Jean to play politics on the backs of Quebec farmers. Since 1990, when we tabled the Canadian position, it has not changed. It was restated today, and in a common effort, which I hope my colleague will support us in, we offered farm leaders a chance to go with a group of government ministers to Europe to restate the Canadian position once more. There is no difference, no division on the Canadian position. There is no division. Our position is clear. The Prime Minister reaffirmed it this morning. I think that should reassure the hon. member.

Hon. Lucien Bouchard (Lac-Saint-Jean): What the minister is telling us, Mr. Speaker, is that he gave farm leaders an opportunity to go with him to Geneva to share the blame for this government's failure with him. The question is simple and I would ask the minister as well not to play politics. Here is a simple question that all farmers in Canada are now asking: Will the government sign an agreement rejecting article XI and marketing boards or will it not?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I believe that we have always said we would defend farmers' interests and the facts are there to prove it. But if my hon. colleague absolutely wants to frighten Quebec farmers, he should rather tell them about the risks of separation for a province and for Quebec farmers who produce 50 per cent of Canada's industrial milk. That danger is much greater. The risk that you would have Quebec farmers run is much greater and farmers

will see their interest in staying in Canada to defend milk producers. There is no doubt about that in my mind.

[*English*]

* * *

FORESTRY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Forestry.

About a year ago the forestry subcommittee submitted a report to this House in which it recommended a framework to attain the vision of sustainable development in Canada in concert with provincial jurisdiction for forest management.

In its response the government accepted the concept of a Canada forest accord as a beginning to achieve sustainable development in our forests throughout this nation.

I would like to ask the minister if the Canada forest accord will be signed at the forthcoming National Forestry Congress to be held here March 1.

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, as my friend has said, we are organizing a National Forestry Congress early in March under the auspices of the Canadian Council of Forest Ministers. This congress was preceded by the most extensive public consultation process possible; five regional conferences, the green plan, and of course the committee's report.

I am currently working with my provincial colleagues on the text of an accord, which hopefully all of us could sign, together with special interest groups that have a stake in forestry.

* * *

UNEMPLOYMENT INSURANCE

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Last week the chairperson of the finance committee called for a 25 per cent reduction in UI benefits. Given that unemployed Canadians already suffer a 40 per cent reduction in income, and considering that a shorter benefit period will reduce the possibility of unemployed Canadians having access to training, I ask the minister to reject the cruel and ruthless comments made by his colleague last week.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, certainly I will not entertain a debate during Question Period on the merits of the UI program. But I do not want to leave untouched a statement that UI recipients will receive less money for training.

If the hon. member would care to look at the record, he will find that in 1992, instead of spending $600 million to train UI recipients, we will spend three times more, $1.8 billion.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, perhaps some training might be in order for the minister.

Many unemployed Canadians do not have access to training because their benefits run out before they are introduced to a program. Many unemployed Canadians do not have access to the training programs because of the severance pay restrictions. These people have a right to training.

Is the minister prepared to ensure that the situation is corrected and provide training opportunities for those unemployed Canadians?

Hon. Bernard Valcourt (Minister of Employment and Immigration): If the hon. member and the socialist party are concerned about training for Canadians, they should stand up, apologize to the unemployed people and support the principle of activating passive money under UI which they oppose every step of the way.

* * *

[*Translation*]

EXTERNAL AFFAIRS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Secretary of State for External Affairs and it concerns the Canadian hostage this government has been ignoring for seven years.

In October, the minister told this House they were doing everything they could to find the hostage, Henriette Haddad. She said they had conducted, and I quote: "exhaustive inquiries". She backtracked on that 10 days ago in this House.

Today, however, we read in *Le Devoir* that neither her sister-in-law nor her niece, the last two persons to have seen her immediately before she was abducted, were ever contacted by Canadian officials.

How does the minister explain this total failure in the discharge of her duties?

[*English*]

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we have been through this case a number of times in this House. Both my officials and myself as the minister have explored all the possibilities we are aware of concerning Madam Haddad. We did the same thing through the United Nations. I raised it when I was at the United Nations in the fall.

Unfortunately, this story has not had a happy ending. Throughout this situation we have maintained close contact with Mrs. Haddad's family.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, not once, not twice, but several times the minister has insisted in this House that she has taken every opportunity available to try and find the only Canadian being held hostage in Lebanon. However, we learned today that the two family members, the last people to see Mrs. Haddad alive, were never contacted by the Canadian government.

How can the minister stand in the House and claim once again that she has done everything possible when she has not even talked to the last few people who saw Mrs. Haddad alive?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I responded to the first question which was the same as the supplementary question.

Let me just say that this has been an unfortunate and tragic situation for the Haddad family. The son of Mrs. Haddad was kind enough to send me a note thanking me for my efforts and those of my department in this case.

* * *

[*Translation*]

EMPLOYMENT

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my question is for the minister responsible for employment.

Today, Dominions Textile announced the closing of its weaving mill in Long Sault, Ontario, and its finishing plant in Saint-Timothée, Quebec. This will mean a loss of job for over 600 Canadian men and women.

[*English*]

For two years we have been asking the government to implement an economic development program for eastern Ontario.

Given today's announcement by Dominion Textiles, will the minister undertake to provide eastern Ontario with special program status similar to northern Ontario and certain regions of Quebec as it relates to industrial programs?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I am certainly ready to look at the specific case which the hon. member raises. The people of eastern Ontario should get the attention they deserve and the programs of my department should be relevant to their needs.

I am ready to look at the situation. Any measures we can take to ease the situation of these workers, I will do.

• (1500)

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my supplementary question is for the same minister.

Recognizing that the people working in the Dominion Textile plant at Long Sault need help now, would the minister, at the very least, give his commitment to instruct his officials immediately to provide industry adjustment services in conjunction with the economic development officer for Stormont, Dundas and Glengarry to assist these workers?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I have no hesitation at all in instructing officials of my department to look at this case immediately and provide whatever assistance is possible to these workers.

* * *

CROSS-BORDER SHOPPING

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is for the Minister of National Revenue.

The abusers of cross-border shopping are diverting billions of dollars out of the pot that pays for our social programs such as medicare, et cetera. Has the minister considered a plan which would deal specifically with

abusers of cross-border shopping and their current right to access these programs?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, it is true that every dollar that goes south of the border is a dollar less for our superior social programs or a dollar that could go toward reducing the deficit or a dollar that could go toward reducing taxes.

We have been working on this matter on a regular basis. The announcements that were made by this government just last week go a long way toward creating a level playing field. If the provinces would move toward harmonization it would go even a step further.

Mr. Speaker: I will hear a single question from the hon. member for Thunder Bay—Atikokan, followed by a single question from the hon. member for Selkirk.

* * *

AIR DISASTER

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport.

On July 11, 1991, a Nationair DC-8 crashed at Jiddah, Saudi Arabia killing 261 people, including 14 Canadian crew members. Weekend reports in *The Montreal Gazette* and *The Ottawa Citizen* detail allegations of improper maintenance and pilot error.

Will the Minister of Transport immediately release the post accident safety review of Nationair, as well as any other inspections conducted by his staff between the accident and particularly after the time he promised this House an increase in surveillance of that airline?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I am pleased to inform the hon. member that Nationair, since this unfortunate accident, has been subjected to a most severe inspection by the Department of Transport. Our inspectors have reported that this airline is following the inspection requirements of the Department of Transport.

As far as the inspection reports are concerned, we do not intend to make them public because it would not be in the best interests of the public. These inspections contain confidential information that people gave to us because these reports are kept confidential.

* * *

JUSTICE

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I have a very brief question for the Acting Prime Minister.

In light of the decision made yesterday by the Federal Court of Appeal which allows inmates of federal and provincial prisons to vote in elections, is it the intention of the government to challenge this particular decision?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, officials of the Department of Justice are presently reviewing the decision to see whether or not an appeal is warranted. As well, there is a case in the Ontario Court of Appeal and we are awaiting the decision. The facts are very similar. There is also the recent report of the Electoral Reform Commission.

After reviewing all of these matters, the officials of the Department of Justice and the Minister of Justice will be in a position to consider whether or not to appeal.

GOVERNMENT ORDERS

[*Translation*]

SPENDING CONTROL ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankovski that Bill C-56, an act respecting the control of government expenditures, be read the second time and referred to Legislative Committee E.

The Acting Speaker (Mr. DeBlois): When the sitting was suspended at one o'clock, the hon. member for Kingston and the Islands had eight minutes left.

I shall therefore give him the floor.

[*English*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, when the House adjourned at 1 p.m. I was decrying the evils of the bill the government has intro-

duced before the House. The bill itself does not have anything offensive in it. It is just a silly and ridiculous piece of legislation. Frankly as I have indicated before, it is a complete waste of the time of the House.

One of the principal reasons I put forward for the House's consideration as to why the bill is so ridiculous is the holes that it leaves, in what it claims to be its efforts to control government expenditure. There are two principal omissions from this legislation. First, the legislation does not control interest payments on the public debt. Those interest payments are allowed to go unchecked.

The Acting Speaker (Mr. DeBlois): Order please. I ask the collaboration of all members in this House. The public wants to listen to the intervention of the hon. member.

Mr. Milliken: Frankly, I am pleased that there are members here. At least there are some ministers here now. There were none this morning during my speech. I am delighted that they have re-appeared. Obviously my words have inspired them to greater efforts.

The interest payments on the public debt are excluded from the consideration of this bill. If the interest payments on the public debt go out of control because the government raises interest rates, they are not subject to the over-all government expenditure plan. The deficit could increase out of control every year if interest rates take off and the government is forced to pay more interest on the public debt, or if the government runs up the deficit as it has in the past and forces the interest amounts to increase.

It is fine to say the government has no responsibility for that. With great respect, it does have considerable responsibility for it. If the government was serious about putting a cap on government expenditures, surely it would include interest payments on the public debt, particularly when those interest payments constitute the largest single expense the government has. My recollection is that the government is paying out $38 billion a year. Perhaps my colleague for Sudbury can confirm that figure. I believe it is the interest figure being paid annually by the government at this stage.

Mr. Duhamel: $43 billion.

Mr. Milliken: My friend for St. Boniface suggests that maybe it is $43 billion. Whatever it is, it is a very substantial figure. Those amounts are not subject to any spending restraints under this bill.

This is for restraint of government expenditures but it only applies to certain expenditures. The biggest single one is excluded. The government says it cannot take any responsibility for that, although the responsibility is direct and four-square. It rests clearly on the shoulders of the government. It is charged with managing the Canadian economy, not the opposition, and yet it says it cannot be responsible for that and will exclude it from the bill.

That is the first serious weakness in the bill. It indicates how silly and ridiculous it is for the government to bring forward this kind of legislation in this House. I am glad to see my colleague from Willowdale agrees.

The second aspect of this bill which is so silly is the lack of control on tax expenditures. Members may ask what tax expenditures are. The government may give a tax break to a group in order to induce some particular aspect of the Canadian economy. For example a special writeoff may be given on the development of a gold mine. Those operating the gold mine will not have to pay taxes during a certain development period, and obviously the government will forgo revenue. That is called a tax expenditure. The government gives up its right to tax the gold mine and bring in revenue it might otherwise get.

By introducing its budget the government says that it will give a preferential tax break to certain people in order to induce them to spend their money in a particular way.

• (1510)

It may give a child tax credit, for example, to those who have children to either encourage them to have children, or to assist them in paying the costs of looking after the children.

The tax break is a tax expenditure. It is giving away or forgoing revenue in order to achieve a desired result. This is all perfectly proper, but if you have a cap on expenditures, why would you not also cap tax expenditures?

Yet the government has left itself a free hand to spend the tax dollars that it does not actually bring in. It is saying in this bill that it will limit the amount of tax dollars it spends on everything except the public debt, but will not in any way restrict its right to forgo tax dollars and not bring them into the pot.

In other words, give tax breaks to its wealthy friends, the Tory fat cats. They are the same people who got the tax break when this government took office and have been getting them all along ever since. That is what the government is proposing to do. It is saying it is not going to be hamstrung in any way by legislation in the House of Commons that restricts its ability to give those tax breaks, in other words to make tax expenditures.

If the government was serious about controlling government expenditures, surely it would deal with that issue in a straightforward and responsible way and include that in the bill. It has chosen not to do so.

The third argument against this silly legislation, this ridiculous bill, was made by the minister himself. The poor minister stood there, and really he must have been very embarrassed to have to introduce this kind of legislation in the House.

Yet his argument was that if any government wants to change this in future, when it introduces its budget making the change, it will have to introduce an amendment to this act as well. Imagine, what could be simpler?

If you do not like the restrictions in the bill, you introduce your budget proposing higher expenditures and in the budget you announce there will be changes to this bill. It happens every day in every budget.

The government announces that there will be tax changes. It announces the tax changes in the budget and then it introduces a bill to amend the Income Tax Act. That is all it is going to do with this bill. It is exactly the same thing.

This is nothing but a scam as the hon. member for Broadview—Greenwood so ably says. This is ridiculous. It is silly and it should not be allowed.

The ministers of the Crown who have an obligation to be here and participate in debate absent themselves from this Chamber when government bills are under discussion. It is a national disgrace.

If they are going to bring in silly bills like this, the least they can do is sit here and listen to the debate. They choose to absent themselves in their entirety, 39 of them. It is wrong. They have an obligation as members of this House to sit here when government legislation is under consideration.

If they are going to propose something so stupid, the least they can do is listen to the debate.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I should just like to point out to the hon. member that the presence or absence of members is always a touchy issue and that his remark could apply to member on both sides of this House this morning. We shall now proceed to the question and comment period. The hon. member for Broadview—Greenwood.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): I think you would have to agree that when we have close to 3 million people in this country out of work and the fishery plants are closing down in Atlantic Canada, it can be very frustrating when you get a sense that the government is not listening to anything we say on this side of the House.

To add insult to injury, the government brings in a bill today that obviously signals it has no legislative agenda. There is absolutely no prepared legislation on that side of the House that will enable us as national parliamentarians, to pass programs that will put people back to work.

The people of Canada should know what the government does because of this absence of a legislative agenda. They throw in some little smoke and mirrors bill, as my colleague from Kingston and the Islands has described so properly before. If he gets a little frustrated, it is only a mirror of the frustration of the people of Canada.

My question to my colleague from Kingston and The Islands has to do with the millions of people who are unemployed in this country who are looking to us as national politicians to address this issue. He is a man who has spent thousands of hours on the floor of this House, enabling legislation to pass quickly when it was constructive. Does he not feel that it would be a much more effective use of our time as parliamentarians to be debating issues and legislation that would put people back to work? Could he please address that in terms of how the process works and what we really could be doing in this House to address the number one problem this country faces?

Mr. Milliken: I thank my hon. colleague for his question. I quite agree with him that we would be far

better off debating legislation that tries to assist in getting Canadians back to work.

In the course of his question, I pulled out my copy of the Order Paper to see if there was anything the government had on its list of bills that we could be discussing that dealt with this kind of subject. I looked in vain. I did not see anything that is proposed by the government at this stage that would create jobs for Canadians. I suspect this government has no idea what to do. I think it is paralyzed with fear. It is afraid of a defeat at the polls which it knows is imminent. It has no idea how to create jobs in this country. It was elected on the promise of jobs, jobs, jobs.

It claimed credit throughout the years the economy was growing so well as a result of the policies of the previous Liberal government which they did not change. In my earlier comments this morning, I pointed out how it said if it did not change them and get expenditures under control, government expenditures on programs would be up about 56 per cent, I think it was, by 1990–91. In fact it was up by 69 per cent because it did not change them. It augmented the programs of the previous government and there was prosperity for many years in Canada. The government did what Nero did—he fiddled while Rome burned—because the underlying problems in the economy were not being addressed. The underlying problems of the government debt were not being addressed in those boom years and now it comes into a time of financial crisis. It has worked itself into a state of apoplexy because it doubled the national debt and realized that the interest payments were becoming quite crippling. Then it said it had no more money to spend on job creation programs. So it sat and cut back on funding for job creation programs—

Mr. Mills: On training.

Mr. Milliken: And on training—a vital statement by my hon. colleague—at the very time when Canadians needed them most. It is a complete dereliction of responsibility and duty that the government has exhibited here. The training scam is exemplified—oh, a minister has come back, we can rejoice—by the fact that it has introduced this bill C–21 which cuts back benefits to the unemployed at a time when unemployment is going up. It cut back the availability of funding for training. Then it sticks the whole cost of training on to the shoulders of the private sector, the workers and their employers, instead of shouldering its own responsibilities which Liberal governments have taken as essential in this country, and with the support of the NDP I am glad to say.

Now we see this change in policy, these cuts, this slashing, at a time when the economy needs exactly the opposite kind of treatment. It is the wrong policy.

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have three questions which I will try to answer. My first question is: What is the exact nature of this bill? My second: Why is it being tabled today? And my third: Are there alternatives to the solutions proposed by the government?

[*English*]

What is C–56? On the surface it states it will control the expenditures over five years to an average increase of 3 per cent. That is what the paper says. I find it really astonishing that it talks about the control of expenditures, and that is important, but it does not set any deficit or debt targets. With the deficit and the debt being as serious a problem as it is today and the fact that they talk about it often is something that I would have believed they would have attacked in this particular piece of legislation, that they would have tried to do something about it.

• (1520)

Why is the government introducing this particular piece of legislation, this control on expenditures? On paper it looks really good. Perhaps the government believes that the Canadian public will believe that this is really going to make a difference. Is it really a serious effort? If it is such a good idea, why was it not introduced sooner? The Conservatives have been in power for seven years or so. Or, is it nothing perhaps but smoke and mirrors, a lot of glitz, propaganda to try to make people believe that finally they have taken control of things? They have not taken control of things. They have not. The government is actually reaping what it has sowed. What has it sowed?

We know that there was a made-in-Canada recession. The Prime Minister indicated that. We know that there has been a continued high dollar. We know that interest rates have been extremely high. They have come down a bit, but the real interest rate, the difference between inflation and the actual interest rate, is still really

significant. We know that this country has 5 million Canadians living at the level of poverty or below, most of whom are women, over 1 million of whom are children or young adolescents. We know that there are 2 million people as we speak who are on social assistance, that there will be 2 million Canadians who will be fed by food banks this year. We know that there are roughly 1.5 million unemployed Canadians right now, perhaps more, people who have given up, people who do not believe it is worth looking anymore. We know that a lot of these people, the majority, want to work. They desperately want a job to which they can make a commitment.

We know that the government's deficit this year is in the neighbourhood of $30 million, and will probably be in excess of that in spite of the fact that the interest rates came down. That should have saved it some money. We know that the debt is in excess of $400 billion. There is an interesting dialogue, debate, discussion about the interest rate.

I want to introduce into my address today a direct quote from an answer from the former minister of finance, the present Minister for International Trade, to my question as to what the debt really was at the end of the fiscal year that they came into power. I read for the fiscal year 1983–84 the figure for the national debt at the end of that year was $167.985 million. I want to read that into the record because of the debate as to what it really was. Some people like to exaggerate, to suggest that perhaps the fact that it is more than double is not nearly as serious a matter as a lot of people would like to pretend it is. It is a serious matter. It has more than doubled. It has more than doubled because the government underestimated the impact. Surely when you buy a company and it has a debt, you fold that into your planning. You make sure that you take that into consideration. You do not go forward and behave as if you had no debt. When the Conservatives took over government they should have done the same thing.

It is also interesting to note that Canada's debt is growing faster than all of the G–7 countries with the exception of Italy. That should be troubling for all of us who are really quite concerned. We should note as well that the debt service charges as a percentage of our gross domestic productivity has continually increased since this government took office.I think that is an accurate statement. I have checked it out and I am told that it is. Obviously that is a serious matter as well.

What is it that it has done to try to control expenditures besides bring in this piece of legislation today. You and I both know that it has been off–loading in a massive kind of way to the provinces. We have talked often about off–loading health, education and social assistance programs. In fact, just recently it was talking about a particular bill that dealt with the capping of social assistance to the provinces of British Columbia, Alberta and Ontario.

I have mentioned time and time again in this House that between the years 1986 and 1995, almost a decade, there would be 30 billion fewer dollars transferred to provinces for health and education matters. I find that shocking in spite of these massive reductions, these cuts, the slashing that the deficit is still where it was for the last 6, 7, 8, 9, 10 years and the debt has more than doubled.

We have to take it in the context of the revenue as well. If you owe a certain amount of money, the next natural question is how much do you earn, what are your assets? It is rather interesting to note that the government's revenue since it came into power has increased by roughly $60 billion. It is not far from doubling its revenue. The obvious question is where has all Canadians' money, in the form of taxes, gone? In spite of these massive tax increases, 34 with the goods and services tax, an increase of $60 billion roughly in revenue, the deficit is roughly at the same position and the debt has more than doubled. We are losing ground in spite of the fact that we are paying more and more.

The government, in introducing this legislation, will cite the U.S. experience with similar types of legislation. I would like to draw attention to two or three points. First of all, we have different systems of government. Virtually everyone is aware of that. The legislation is significantly different. What is not well known, and what has not been repeated often, is that this U.S. legislation has not been terribly successful. The U.S. has had to go back and adjust its targets in order to make them fit its estimates, and so on.

To try and give people some reassurance is the thing to do when they are upset about the deficit and the debt. In terms of what it will actually accomplish, there are serious doubts in my mind and in the minds of many

people who have studied this legislation, looked at the critiques and have thought about the legislation.

I repeat that the government's intention, at least on paper, is to control the expenditures. It may or may not do that. I am not trying to suggest that the government has simply done this and that in order to try to fool people, but there is an element of that. I am troubled by that.

This bill says nothing about the possibility of giving tax concessions to friends, and I say friends in the broadest sense of the term. It could create a number of loopholes that would still favour individuals, that would still contradict or counteract some of those expenditure controls that are in place. That is really unfortunate. I should point out that not only is this my criticism, but government members of the finance committee have raised this same point.

The government imposes limits on spending based upon certain assumptions being made right now, obviously. We see this in the control of spending over five years to an average of 3 per cent, as I indicated initially. It has to make assumptions about inflation, interest rates and unemployment rates. Those are three variables, and there are probably others.

If we were to go back and review the assumptions and the predictions that were made in previous exercises, we would find that the targets were way, way off. The targets did not resemble reality once that reality came to be. If that is correct, we need to ask a couple of other questions. What should give us confidence that those predictions, those assumptions that the government has to make will be better than those of the past? There is no evidence to that effect. If you build a model based on certain assumptions, how can you have confidence in that model? You really cannot.

Therefore, I am led to that great suspicion that this looks good, sounds good and is going to fool some people, but really will do nothing to attack the root problems of the deficit, the debt and the economic situation that is troubling Canadians today; a very serious one indeed.

I want to point out as well that there is a possibility, and I can assure you that others have thought about it, that the government could go on a spending binge. We are very close to an election, we all know that. It could be weeks, months or perhaps a year away. The government could make a number of promises, recognizing that if it were re-elected, it would have to deal with it and it would do so as best it could. It could make those promises, recognizing that it might not be re-elected, and really stick it to the party that forms the next government.

• (1530)

There are controls in place and those controls are obviously there as a result of decisions made by previous administrations. That makes me awfully nervous and I suspect it would make some other Canadians extremely nervous as well.

I say gently that the intent on the part of certain individuals is no doubt rather noble, but it is rather naive. It is simplistic. The problems are much more complex than this. This bill will probably end up being nothing but window dressing. It will look good but it will not do the job.

What do we do? The first thing we need to do is restore the confidence of the Canadian people in their politicians and in their political parties. As well, we need to ensure that we do not over-react to the deficit and debt. We need to take it seriously, responsibly, without losing our bearings. If we start reacting too strongly one way or the other, Canadians will not believe us. Therefore, we need to re-establish confidence in political parties and in politicians.

We need to state very honestly what needs to be done with the deficit and debt, and where we are going to get the funds to address the serious overspending. We need to address some of the serious economic and social problems of the nation. We need to be up front. Once we have done that we will have gone a long way in establishing the right kind of climate so that people can once again believe that we might get this situation under control.

We also need to get people back to work. If we were able to get people back to work, the debate in this country on a number of issues would calm down and would become much more rational. We would have people contributing much more than they are now to our country's future.

We need to get people off the unemployment insurance lists. While they are there they are costing us money. They are not there because they want to be, but because there is no choice, there are no alternatives. If

they were able to get back to work, they would be contributing rather than being a drain on the treasury.

We need to get them off the social assistance programs because those are debilitating. They make you feel as if you do not belong, as if you are not important any more, as if you are not doing what you ought to be doing. It is a lose, lose and lose again situation.

The dollar really needs to be looked at. We know what would happen if there were a lower dollar. We need to ensure that the interest rates continue to come down. A lot of people are saying that they are really down quite a bit, and they are, but let us look at the difference between inflation and actual interest rates. Let us look at the difference between the interest rates in the U.S. and the interest rates in Canada. There is still a lot of work to be done.

I would like to remind my colleagues in this House that there have been some proposals made. I have made a few and I am going to refer to some proposals that have been made by my own party.

[*Translation*]

In his emergency plan for the economy proposed a few days ago, the Hon. Jean Chrétien, Leader of the Liberal Party, asked for an initial downpayment of 5 per cent on the purchase of a first home. He felt it was a way to stimulate the economy. He mentioned the possibility of people using an RRSP of $7,500 to purchase their first home, which would also help put people back to work, stimulate the economy, create jobs and restore the confidence of those who are now unemployed. He indicated the need for shared-cost programs to update community infrastructures. He talked about a number of projects that could be carried out in our cities, our towns, and the provinces in general, again to create employment and ensure that people can get back to work and start feeling a lot better than they feel now.

He also said that he wanted to intensify basic manpower training, because he realized that basic skills were not sufficiently developed. This was a way to ensure that in the near future people would be able to go back to work and contribute fully to our society.

Finally, in his fifth point he mentioned federal emergency assistance for food banks. At the beginning of my speech, I mentioned that two million Canadians would be fed by food banks this year. I think that is terribly sad. And 40 per cent of those Canadians will be children and teenagers.

Mr. Speaker, you will recall that a month ago, the leader of my party, the Hon. Jean Chrétien, proposed a long-term recovery program. I would like to remind my colleagues of these proposals:

Rebuild the industrial fabric of Canada by slowing disindustrialization; by bridging the gap between Canadian and American interest rates, in particular real interest rates, and by lowering the value of the Canadian dollar. We also asked for a fair fiscal policy.

Third, to implement effective retraining programs.

Fourth, to ensure a more balanced economic growth.

And, finally, to take on an important budgetary responsibility. I would like to conclude by discussing this last point. It seems to me that if we took on an important budgetary responsibility, we could reach the goal proposed here in a very flexible, honest, professional and effective way.

In concluding, I simply want to say that yes, on paper, the intent of Bill C-56 could be seen as being rather noble, and it might even look as though there is some need for that legislation. However, when you analyse this piece of legislation, when you look at it as a whole, you find some serious deficiencies. The government intends to tighten controls as regards expenses, and that is important, but there are all kinds of ways to thwart that intention. We are also very aware that what has occurred, that is the passing of the tax burden to provinces, will become an even more common occurrence. Then you realize that the tax burden of the provinces is already very heavy for some of them; in fact, it is extremely heavy.

So, if I look at all this, I firmly believe that some of my colleagues from the government think this is a good idea, that those are good intentions, and I accept that. However, I am well aware that some people have already spent enough time in a bureaucratic environment to know very well that this effort, this initiative, will look very good and that it might even fool some people and make them believe that this a substantial measure. Yet, in the end you will see that the achievement will be a rather small one.

Nevertheless, I wish the government luck. There is no denying that the control of the deficit and of the debt is a very important issue. Let us not forget the most important thing, which is to put Canadians back to work, to restore their confidence again in their country and in the political parties that try to govern our great and beautiful country. I thank you, Mr. Speaker.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to compliment my colleague on his remarks. Once again we have heard from this side of the House that we do have ideas over here and we are putting them forward in a constructive way. Quite often we hear the government during this debate saying that we are not putting forward ideas. We are also respecting the concerns of the deficit and debt of this country.

My colleague from St. Boniface has had lots of experience, being a former deputy minister in the field of education in the province of Manitoba. My question to him has to do with training.

I have constituents coming into my office weekly saying to me that the government is always talking about training, retraining and more training and that people are putting funds into it. Time after time people come into my office with concerns about applying for these training courses. I had a specific example last Saturday in which a constituent of mine, Billy Turner from Wolfrey Avenue, came in with his file and said: "When I go to George Brown College, Humber College or York University they all tell me they have run out of money. There are no more funds. The cupboard is bare".

• (1540)

Last week the Minister of Employment and Immigration kept talking about money for training and retraining. The Minister of Industry, Science and Technology talked about it yesterday. Yet all I hear is that there is no money in these programs when people apply.

As an educator, and I ask my colleague specifically as a former leader in this field, does he not think that the government is being irresponsible by not finding the necessary funds to train and retrain these people, especially when they are in the ranks of the unemployed?

Mr. Duhamel: Mr. Speaker, I want to thank my colleague from Broadview—Greenwood for a question that is extremely important.

There are several dimensions to his question that I want to respond to. The first one is, yes, we need to find money to respond to people's needs today because those individuals who are not being served cost the state money. They are on unemployment insurance, on social assistance, or on some other government program that does not help them very often to get back into the work force. It is a drain, and I do not say that in the pejorative sense. They are entitled to a quality of life, but at the same time the possibilities of significant quality are not great under the current circumstances for many of them. Yes, we need to respond.

What happens very often is that a certain number of dollars are put forward and people believe those dollars are going to respond to need. It is very difficult to predict how much is going to be required. We need to make predictions, but at the same time if we have underestimated or overestimated we need to respond in kind.

It is morally wrong for any man or woman who is willing to work, who is willing to take a retraining program, not to be accepted into a program immediately. One cannot wait six, nine or twenty–four months. It is not right. It is unfair. It does not resolve the problem. They are demoralized even more. They are made to believe that they cannot fit in. All of a sudden, once they have lost confidence, they could be on an assistance program for the rest of their lives.

The question the member raised is a fundamental one. The only thing I would like to point out is that we may need more models of delivery. That is not chastising the universities or the community colleges, but there is a variety of clientele out there. There are single parents. There are young workers and older workers. There are people who have been in the work force and who no longer have jobs and cannot move out of the community to another job. We need a number of models to respond to the needs of Canadians, particularly right now when we are talking about 1.5 million people on unemployment insurance and almost 2 million on social assistance programs.

To recapitulate, we need to make those funds available. Otherwise we are fooling ourselves. One can

survive on eating a meal today, but for how long? Of course one does not have to respond fully, but for how long? Yes, we need to respond immediately.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I was wondering if the member and his party will be supporting the bill and the views expressed in it that the minister, when he presents his budget on Tuesday next, cannot present a budget showing a spending in excess of $1.9 billion. Will he be going over that expenditure program with his colleagues to make sure that no more than that much money is spent?

Mr. Duhamel: Mr. Speaker, I thank my colleague for the question.

He can rest assured that I shall be studying this bill additionally, talking to my colleagues, and voting appropriately when the time comes. I am taking this matter very seriously. I indicated before that I think some people had good intentions with this bill. My concern is: Will it actually do the job?

I also indicated, I had to be fair, that while some of my colleagues on the government side no doubt thought this would do the job, there are others who were smart enough to know that it would not do the job but was going to con a lot of people.

I have not made up my mind yet as to whether or not I should or should not because I have mixed feelings.

I know that some people believe this is important. I also know that it is full of loopholes through which one could drive Mack trucks. That is one question.

The other one is with respect to the budget. My hon. friend can rest assured that I shall be looking at that budget line by line by line. I will even do more than that. I can guarantee that as well.

I shall continue to look at the budget in relationship to the expenditures that this government undertakes and in relationship to any loopholes it may take advantage of to get around the 3 per cent expenditure guideline. He has my word on that.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I find it somewhat strange that the former chairman of the Standing Committee on Finance is asking that question. He knows very well that if the will were there, the government would not need that bill, a bill respecting the control of government expenditures.

We have a parliamentary democracy and the majority carries. In 1984, I would like to remind the hon. member from Mississauga, the revenues of the government were $70 billion and the expenditures were $109 billion.

By 1989–90 the revenues had risen to $112 billion but the expenditures were $142 billion. There was an increase in taxes collected of over $40 billion. In 1984 the government had the mandate to cut expenditures but there was no will. As I said before it was spending like a drunken sailor.

Now suddenly, because it is the end of the second term, it has decided to fool the electorate. It is telling us that it is going to bring in a bill respecting government expenditures. I think the member from Mississauga knows very well that this can be done without legislation.

We are not living in the United States but in Canada where we have a parliamentary democracy.

Mr. Duhamel: Mr. Speaker, I thank my colleague for his particular points. I would like to remind him that my figures suggest revenue increases by $60 billion, not $40 billion. I think my figures are correct.

My hon. colleague who asked the last question knows perfectly well that where there is a will there is a way.

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I hope Canadians who are watching and listening to this debate will have listened to the interjections of the last two members and have seen just how this issue of debt and deficit can be viewed in a black and white manner. Some members of this Chamber are accusing the government of having spent its way into massive problems, and other members are chastising the government for attempting to curb its own spending. I hope Canadians recognize very clearly that a lot of rhetoric goes on in this Chamber.

I would like to speak briefly to this bill. I start by reviewing for Canadians very briefly what it is we are debating, what this piece of legislation is intended to do. Essentially this bill will put a limit on federal program spending between fiscal year 1991–92 and fiscal year

1995-96. I am personally pleased to be able to speak to this bill. I am delighted that it is in this Chamber. I am delighted that the government accepted it and that it is on its way to becoming the law of the land. I say that because I personally lobbied the Minister of Finance in order to try to get legislation of exactly this nature.

As part of the budget of a year ago, this legislation was brought in to provide control on federal spending so that the deficit of the Government of Canada could be reduced and we could start tackling the level of debt that has been built up in this country. To make sure that spending is restrained, the budget proposed this bill which says that by law the Government of Canada has to restrain its spending. I think this is a very significant point. We are removing from my hands as a member of Parliament and the hands of my colleagues in the Chamber the opportunity, the possibility, the power to increase spending in a runaway fashion.

• (1550)

A draft version of the bill has been reviewed by the House. It went to committee where it was tightened up. A few changes were made, I think for the better. What the bill essentially says to Canadians now is: "Listen, you are going to get a guarantee on spending from this government, because the law says that higher taxes cannot be used to finance higher spending and that new programs will have to be funded within the total amount of money the government already has". That is pretty significant.

The budget that came down a year ago was essentially a budget with a guarantee. We have a guarantee in this bill that the government has limits placed on how much it can spend. We know exactly what those are going to be for the next five years. Taxpayers have a guarantee that the government is not going to revert to the bad old days of runaway spending.

Second, in that budget the government created the debt servicing and reduction fund which was a new national bank account. Consider it a national personal savings account.

The third guarantee was that all the extra revenue above what was collected and the taxes it replaced, all those extra GST revenues, were going to be placed into this new national bank account and used solely for the reduction of the federal deficit. It was a budget with a guarantee and it was something quite radical. We had not really seen that kind of budget before.

Over the past 20 years we saw the usual dance of finance ministers who came along and gave us a lot of projections and a lot of promises and there was nothing behind them. There was no teeth. There was no legislation. There was nothing forcing them to obtain their goals and targets. Nothing like this bill has come before this House before. It is radical and significant and different.

In order to maintain the integrity of Canada's social programs and to help people in need, there have to be some exemptions from restraint on spending and this bill is no exception to that. There will be exemptions for emergencies such as unexpected flooding. Self-financing programs like unemployment insurance are exempted because they are just that, self-funding.

The real kicker in this particular bill is the provision for overspending. Let's say that members of this House decide to defy the law. Let's say that we vote on legislation which pushes spending over. Let's say we approve a budget that the Minister of Finance brings in that violates the spirit of this. If overspending occurs, what happens then? We owe it to Canadian taxpayers to explore this. If the government spends more than it said it would, what is going to happen?

This bill will put into law that if spending exceeds the limit for any one year, the amount of that overspending has to be made up through spending cuts within two years. It is simple and straightforward, a very direct concept. If the government spends too much in one year and violates the law then in each of the other two years it has to cut. That only makes sense.

In terms of compliance, the finance minister would not be allowed to present a budget that is inconsistent with the act and the annual public accounts would contain a statement saying that they conform to the act.

As a third guarantee we get the Auditor General involved. The Auditor General reports to Parliament on whether or not the act has been complied with.

That is what we are debating. That is exactly what this legislation proposes, and I for one support it but not blindly. I would like to tell the House why I support it. I do not support it just because I am a member of the political party that is forming the government now. It is very close to some of the reasons I wanted to be in this place, why I wanted to be in Parliament. I believe the

people are saying it is time they had more of an impact on the system. It is time some of the authority and power of politicians to spend their money as taxpayers was removed. It is time there was a constraint, a system, a structure, a mechanism, some form, guarantee, promise, or hope they will have as taxpayers, that the people who go to Ottawa and become members of Parliament do not waste money and overspend. I think the people are saying that. I have had some experience listening to them say that.

I remember a year and a half ago travelling to a small town in southern Ontario called Blenheim. The folks in Blenheim got fed up with property taxes that were going up for one reason or another. It was mostly because of the usual problems we have in this country with too many levels of government, too much overlap and duplication, too many governments trying to do the same thing with one set of taxpayers' pockets and five sets of taxes. We only need to look at two sets of school buses rumbling down the road to see that. We only need to look at the road grader that starts at one county garage and goes down to the town line, and the other country road grader comes up to meet it.

It is only common sense and the people in Blenheim saw that. They saw it there at highway 401 where there were four garages beside each other, one for the province, one for the county, one for the municipality and one for who knows what. They saw all that. They looked at their property tax bills which had gone up 200 per cent in some cases. They said that was enough. They withheld their taxes. It is a pretty radical thing to do. You can do it with property taxes but you cannot with other levels of taxation. People struck back.

I went to Blenheim and spent a day there at the high school auditorium. I met with people to try to find out why they did this. It was pretty radical stuff. What did they propose for other levels of government? What did they think ought to be the solutions? The people were eloquent, articulate and simple in their response. They said there were too many governments and too many sets of taxes. There was too much waste and inefficiency and the governments were without controls and mechanisms of accountability.

Do you know what? They were right. We do. That is why I can support this kind of legislation which gives us a structure, a ceiling, a roof on the kind of spending we are capable of doing.

That little experience in Blenheim, Ontario has been interesting, and I have been following it for several months. Out of it was created an organization called the Ontario Taxpayers Coalition. The last time I talked to the organizers several tens of thousands of people had joined. The interesting thing about the organization is that it is not composed of the usual kind of protesters we see out on the lawn of Parliament Hill. They are average middle class folks who are a little bit scared of what they are doing and not quite sure what to do next. They do not know much about mobilizing and do not have any organizers. They are generally plain, ordinary Canadian taxpayers who have come together to try to send a message to us, the politicians; the political leaders at the municipal, federal, provincial and regional levels.

Part of the message I think is concerned with this bill. I think they like this. I think the people want it. I think the people are asking for more of that. I have heard the same in my own riding at town hall meetings where people stood up night after night and asked why we don't have a balanced budget; why we don't have some sort of rules somewhere that say the government cannot go into debt; why we don't have something in the Constitution that says you shall have a balanced budget within a certain period of time.

My hon. friend across the way is hollering at me that this does not answer those questions. I will admit that. But what I see here is a very large and powerful step on that path. I really see a government attempt to try to move in that direction.

The questions are in my mail too. I get them when I travel and from the people I visit and talk to at town hall meetings. Let me read you a little bit of my mail. This is from William McGrath of Acton, Ontario: "We must cut programs to control spending. We have become a welfare state. Our children will pay for this folly".

• (1600)

Arthur Dixon in Cheltenham: "Reduce the deficit. I would pay my own share and that of my family in the shortest time if I believed we could really achieve it".

Harold Denny from Acton, Ontario: "Government should do the same as all private business is doing and tighten its belt until it really hurts. We have to cut our spending to the very bone and eliminate all frills, credit, etc. just to survive the recession. It will be a long, tough struggle. I know, because I started to work in the depression of the thirties, but it can be done".

Kevin Gray in Burlington: "The number one way in which everyone's future will look promising is to get the deficit under control, if not obliterated. It just isn't fair to the upcoming generation. Something eventually has to give".

Stan McNeice of Bolton, Ontario: "Living in the greatest and wealthiest country, Canada, can only be protected if our news media, newspapers, TV and radio people could be educated into the dangers of the debt and be given some happy thoughts instead of all the sad ones". That is an interesting suggestion.

Arnel Ranger from Acton, Ontario: "My future, my family's future, and Canada's future are all headed for a big fall. We have all lived beyond our means for too many years. It is now pay-back time. Greed, jealousy and envy have put us where we are today".

Catherine McDonald, Caledon East: "Eliminate some levels of government. Reduce the number of politicians at every level. Reduce the number of grants to "do good" agencies. We don't need to be coddled from the cradle to the grave. Reduce defence, reduce the deficit".

A. L. Campagnolo, Caledon East: "If things continue the way they are going, I see Canada becoming a third world country with all the consequences for my family. Unless the government starts governing the way it should; learning to say 'no'; stops spending the money it does not have; starts repaying the principal on the deficit, we shall not have a future to speak of. We need statesmen, not politicians, and we need them to make tough decisions which people will understand. Free trade may be one of them, but it is not the only one of them, certainly not in its present form".

Norman Klenman from Ganges, British Columbia: "There is simply no practical alternative. The Prime Minister, the cabinet and the caucus are doing manful work in terrible times. There is simply no money to spend on programs and initiatives which might earn popularity".

J. W. Cargill from Bolton, Ontario: "I will feel happier when Canada starts living within its means. We have nothing for that rainy day and are being forced to borrow more and more against the future. With close to half the national debt owing to foreigners, it's pretty scary".

Finally, from Betty Sherman in Terra Cotta, Ontario: "Until a way can be found to reinculcate such values as self-reliance, responsibility, pride of workmanship and recognition of individual merit in Canadian attitudes, I cannot find much real optimism about turning the country around. Prospects in Ontario under a socialist government are even especially more discouraging. A lessening of government intrusion in our lives might help to restore some incentive, if it is not already too late".

Those are a lot of different voices coming from a lot of different Canadians. They are all taxpayers, and all want the government to spend less and not more.

I might just quickly address the reasons some of my colleagues across the way do not want this bill to be put into place and state their opposition to it. This particular piece of legislation would restrict government spending and hold down the increases in government spending for five long years. Some of the people on the other side of this Chamber believe the government will change at the next election and they will be on this side. I don't pretend to know what is going to happen, but I do know that Canadians will finally have a guarantee that whatever happens to the government; whatever the complexion of this Parliament is after the next election; whatever bunch of people the taxpayers send to Ottawa to run Canada, spend Canada's money and put money in Canada's bank account; will have to live by a law that says they cannot overspend. That is pretty simple. That is what this bill says. We will have a law that says members of Parliament cannot overspend any more. If we had this law over the last 10 years we would not be in the situation we are in now. Whether deficits were run up in

years past for good reasons or bad, whether the social causes were valid or frivolous does not matter. They were run up, they existed and the deficit got to where it was affecting our debt so much that today we are crippled with $40 billion of interest every year on the debt. If the law had been in place, we would not have the mess today. If this law is put into place, I am sure we will have fewer messes tomorrow and in the years that come.

Those people on the other side do not want the bill because, I gather, they do not want to be constrained and have limits put on the government's ability to spend; a government they feel they might form.

We are in changed times. We are in the 90s now. We are in a time where we face a whole new set of demands, pressures and challenges, quite unlike things that faced Canada before. We all know the world is becoming globalized in terms of trade and world economy. We know there is competition around the globe for capital. They sure need a lot of it in eastern Europe and Russia. They need a lot of it around the world. We need a lot of it. We need $40 billion a year to pay the interest on the debt. Globalization and the search for capital and competitiveness is very concerning. We must get more competitive and we will never become competitive while 30, 35 or 40 cents of every taxpayer's dollar is dissipated in interest payments on the debt.

The 90s demand something different and I think what they demand from a lot of us is what the 1860s demanded of a lot of Americans. I would like to end this with a few words of a man who was very hated within his time. But he was a great man and knew how to read what his country needed then. I think it is what our country needs today. This is what Abraham Lincoln said:

> You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help little men by tearing down big men. You cannot help the wage earner by tearing down the wage payer. You cannot further brotherhood of man by encouraging class hatred. You cannot help the poor by destroying the rich. You cannot establish sound security on borrowed money. You cannot keep out of trouble by spending more than you earn. You cannot build character and courage by taking away man's initiative and independence and you cannot help men permanently by doing for them what they should, and could do for themselves.

Mr. Peter Milliken (Kingston and the Islands): I would like to ask the hon. member a question. He seems very strong on this bill. I am not sure why because I think if he had listened to my speech, he would have realized the serious deficiencies in the legislation. He keeps claiming this bill is somehow going to solve Canada's deficit problems. All the letters from his constituents dealt with that, but the bill in fact, as he must recognize, does absolutely nothing to help the deficit since it can be changed at every opportunity.

I looked through the bill and it is quite a short one. I was looking for the enforcement mechanism. The hon. member says this bill will force governments to do this or to do that. Well, almost every bill I have seen has a provision in it that if there is a violation of the bill, if the provision is breached in any way, the offender is then brought before a court and either fined or imprisoned.

I looked in vain for any clause that would put the Minister of Finance in the slammer if he violated this bill. I wonder if the hon. member would be prepared to vote against the bill at second reading to ensure that an amendment was made to it providing that a Minister of Finance who operated in breach of the legislation would in fact suffer some penalty. Perhaps all the members of the cabinet could suffer some penalty, like resigning, because if we had such a provision in this bill when it was passed in 1984, this government would have been out long ago. We would probably have a better government in Canada today. Would he agree to an amendment like that to this bill?

Mr. Turner (Halton—Peel): Of course not. It is not criminal legislation. It is legislation which puts constraints on the spending limits of the government.

• (1610)

The bill, in declaring fairly categorically that if overspending occurred one year spending cuts would have to be made in the following two years to make up for that, is a pretty decent start.

Mr. Alex Kindy (Calgary Northeast): I was listening with interest to the hon. member when he was speaking. He was reading all those letters from his constituents telling him that we should cut spending.

The government of this day, the government that was elected in 1984, has spent more than any other government in Canadian history in the shortest period of time. The debt at that point in 1984 was $180 billion and now it is $400 billion.

What is very interesting is that the foreign debt was very low. But now 25 per cent of Canada's debt is owed to foreign banks, to the International Monetary Fund, to

the World Bank and other bankers. So really our situation has deteriorated.

I am wondering why at the end of its second mandate suddenly the government side sees the light and says that it has to cut spending. It had the opportunity to have better managed the economy. It has not done so and now it brings us a bill that is full of loopholes. This bill does not mean anything.

I would like to ask the member just one question because he talked so much about the need for people to have input.

For instance, Switzerland has binding referendums on any legislation. Would he be in favour that in Canada we establish a binding referendum? If people were not happy they could have a referendum and say to the government that it is overspending or that it should do this or that. Is he in favour of such legislation?

Mr. Turner (Halton—Peel): In terms of the numbers my hon. friend quotes, I would just like to clarify what is the financial situation of the government.

In 1984, the government was spending $16 billion a year more on programs than it was taking in in taxes. That has been reduced through tax increases and financial management to the point where $16 billion in the hole for program spending has now been turned into a $12 billion surplus on program spending. From $16 billion in the hole, spending more than we took in, we now take in $12 billion more than we spend on programs.

Mrs. Marleau: How do you explain the deficit?

Mr. Turner (Halton—Peel): I will explain the deficit, so listen very carefully to this.

There is a $12 billion surplus this year, yet the interest on the debt is $42 billion. Take $42 billion on the debt interest, remove $12 billion of it because that is our operating surplus this year and we end up with net requirements of $30 billion which is roughly the deficit. We still have a deficit because our surplus is not yet big enough to pay all the interest on the debt.

So Canadians can ask: When is the government's surplus going to be enough to pay all the interest on the debt? That is the real question. When the government has enough surplus to pay the interest, we have no more deficit. When is that going to happen? We will find out next Tuesday in the budget.

But the projections at this point are that in fiscal year 1994–95 we have zero deficit because we have got enough in surplus tax revenues to be able to handle all the interest payments on the debt.

It is simple. It is like having a mortgage, not making enough money to make the mortgage payments, and going further into debt. That is the situation Canada has been in for years.

But when there is enough income and finally the mortgage payments can be paid, then you are not going into debt any more. That is where we are leading. That is the most important point and it is amazing how the members opposite lose interest once you start to explain it.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have listened to that explanation with a lot of interest.

One thing that the hon. member would have to agree with is that that explanation and that answer is very different from the commitment that they made to the Canadian people in 1984.

They did not say they would reduce program expenditures below taxation. They did not give the kind of complicated explanations that he has just given now to justify patting himself and his Minister of Finance on the back.

They said that they would reduce the deficit. What Canadians understood from that was that the deficit would be lower as a result of electing a Conservative government than it had been before. It is higher.

The question I want to ask the hon. member is this. Suppose the government as the next election approaches comes up with a fancy new idea that will cost a lot of money and thinks will help it get re-elected.

This so-called limit I ask the member, is this not legislation of restraint? Is this not something that can be covered in one simple clause in an amending bill on day care or some other new program the government might decide to do?

Can it not do away with this so-called limitation it is imposing on itself just by having one small paragraph in that new piece of legislation? Like the unemployment insurance bill or the other programs which are exempted, it would say that this new spending program

would be exempted. Can this bill not be circumvented by the government just as easily as that?

Mr. Turner (Halton—Peel): Mr. Speaker, the short answer is no. Any overspending has to be made up by spending cuts within two years.

In error, I did not respond fully to my colleague across the way to the second part of his question which had to do with binding referenda.

He asked me whether I would support that or not. I have no problem with the concept of referenda. I do not think it would be particularly wise or economical to put every piece of legislation as he suggests to a vote by the Canadian people. Bear in mind the last federal election cost around $100 million.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for St. Boniface—Youth Programs; the hon. member for Markham—Whitchurch—Stouffville—Pornography; the hon. member for Malpèque—Unemployment Insurance; the hon. member for Victoria—Nuclear Vessels; the hon. member for The Battlefords—Meadow Lake—Western Grain Transportation Act.

[*English*]

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I wanted to participate in the debate on this bill because it brings once again into the forefront of Canadian politics some ideas, some concepts. It is interesting to spend a moment or two looking at their origins.

This particular concept came out of the United States of America. I suppose in these days of free trade and integrating our two societies and integrating the economics of the two societies an inevitable step will be some integration of the political processes and how they go about trying to resolve the problems of the day.

There have been a lot of good things that have come out of California: surf-boards, hula hoops, Frisbees, all kinds of things.

One of the political ideas that has come out of the state of California is an idea called proposition 13. The background is pretty straightforward.

In many American legislatures anybody can walk in off the street and start the legislative process rolling. This can be wonderful democratically. It is not the worst idea in the world, but it has some consequences. We ought to review that a bit.

Anyone can walk in to any state legislature in America and say: "I want to produce a piece of legislation which says stop spending money". It can be as simple and as bald as that. Essentially that is the meaning of proposition 13.

When that is taken out to the population at large, it is pretty attractive. It is like saying: "There will be no bills arriving at your house this week". So they like that.

What they do not like is when the furnace does not work, when their services are not provided, when there is no electricity, when there are no cops on the beat, when their house catches fire and there are no fire-people to come and put out that fire. Then they get a little unhappy.

Those of us in public life sometimes have to explain to people there are many sides to a coin. It is not just a one-way street. There is a reason if the streets are full of potholes. A suitable solution is not to put out barriers which say that the street cannot be used anymore, because sooner or later one might have to. Even those who do not anticipate using that street may have to.

• (1620)

This idea in California produced a lot of bad side-effects. Unfortunately, for those people who were proponents of it, they did not have to stick around and explain the consequences later. That is one of the small flaws in this kind of a proposal.

It had some initial reaction and of course it showed up in the American Congress. It became a bill and the American Congress tried to do much the same thing.

To understand this one must have some sense of how Americans and the American governments put together pieces of legislation. The first thing people should know is that they do not always have to pass a budget for example.

The President is often upset with Congress, that it will not pass the budget he wants. But at the end of the day if it does not, he will have to spend the money anyway. So Congress often goes through many consecutive years without actually passing a budget and it does not have to pass all the budget bills.

In fact, almost any bill in the American Congress consists of one congressman who wants to say: "Let's all turn left", and another one who says: "Let's all turn right", and another one who says: "Let's go straight ahead", and another one who says: "Let's back up". If it passes the bill, the small little things that we might think are incongruent do not seem to matter. Doing something seems to matter.

That is part of the flaw that is contained in this legislation. If it were, as some members have proposed, a bill which said: "Okay, if the Minister of Finance of Canada spends more money than he is supposed to under a projection which we put in here, we will cut off his head," then perhaps we might be able to say with some surety: "Boy, he sure won't spend any more money than we have allocated in this bill". The bill does not say that. The bill goes, in a very straightforward way, I might add, along one avenue. It explores the legislative side.

What could the Parliament of Canada do in a legislative way to control spending? For some, that is a very attractive proposition, but what people have to understand is that this is not the only way in which governments spend money. This is, if I might categorize it, the theoretical way in which governments initiate new programs, establish laws and then proceed to spend money. But it is certainly not the only way.

Members who have been in this Chamber for a while will be well aware that there are lots of other avenues by which governments spend money and by which they continue to spend.

Part of the problem with this one is by putting a rather simplistic notion in place that you can take a single solitary number put it in law and that that will apply. That is like saying: "The trough is overflowing so we will shut of the tap". Well that may work to some degree, but the trough will still overflow for a while and the trough may not feed those who need it.

One has to get really simplistic to accept that this kind of a law can be passed.

The Americans in many of their state legislatures or at their Congress have tried this routine for some time. It has not been particularly successful there. I do not believe it stands much of a chance to be successful here for perhaps some slightly different reasons. But underlying it all is this one simple reason: This is not a task that has one solution; this is a task that has many.

I noticed the member for Halton—Peel was talking about the reaction of ordinary citizens to one barn being operated by the municipality and one by the province, and one bus system run by one school system and one by another, almost as if that never happens on the Hill, almost as if there is no duplication here.

Well, to use his same example, let us all adjourn for a moment and go and stand on the front steps. We can watch the little green buses roll around, then we can watch the little grey buses roll around, then we can watch all the little black limousines roll around, then we can watch all the cabbies roll around. Is that duplication?

Do I hear a great outcry in the Chamber today that maybe one bus system would provide transportation to everybody who works on the Hill? Oh, it is missing. Its silence is deafening. Maybe among the population there would be just a touch more of those who would believe this kind of legislation if they had not had their eyes opened for a little while.

That is the wonderfulness about this approach to it all. This makes eminent sense if you have never seen a government operate because you can hold up a piece of paper—here it is—you can say, as the member just did: "Here is the law, and the law says you cannot spend more than this".

By a quantum leap of faith, some would probably say: "You've done it". Deficits in financing have crucified governments for 100 years. Why did somebody else not think of doing it this way? For 100 years we have had deficits, expenditures and problems with financing. Why did nobody in the first century of politics pass a law like this? This would sure solve all the problems.

The reason is it does not. People who have been in government for a while at any level know that it does not, and people who are members of this House know that it will not. Worse yet—here is something I think we

should note—would be if every single member in this Chamber said: "Boy, this is it. I will stop every bill going through the door that exceeds the limit set in this bill".

Do you know what the end result would be for the people of Canada? Zip. The members in this Chamber, even I dare say the Minister of Finance and I will throw in the whole cabinet, are not the ones who spend the money. Sometimes they delude themselves into thinking that they do, always a dangerous practice. They are not the ones who run the day by day programs.

Even if they want to, even if they think they can, even if they get hard-nosed about it, they are small in number. There are thousands of people in our bureaucracy, in all different levels of government who are intelligent. There are smart people in control of programming who are saying every day: "You can pass any law you want. Give me 24 hours and I will provide you with the first run-through of how to get around that law. Provide me with the law that is the tightest law in the world and we will find a way to get around it".

If they are bright and particularly inventive some morning, they may even think up some new ways to get around the passage of laws like this. Rest assured, they will do it.

If a department head receives his or her status because of the number of people who are employed in the department, do you think that by having the same number of people in that department that you are going to stop expenditures? Even if the growth of that department was zero for a year, would the expenditures stay constant? Not on your life and you know that. That is part of the problem.

Some days I wish there was a law that would be passed which would get at the root of all this but I know better. That is the difficulty with putting this down on paper in quite this way. It is kind of like saying: "All you have to do is pass this bill and the problems are resolved". They are not and people know that. People in this Chamber even, busy folks that they are, know that.

More importantly, people across Canada know that. They have heard this song before. They have seen the dance. They know that governments that came into office pledging debt reduction did not do it. They did not commit hara-kiri the morning after the first budget was tabled either. They managed to find some reason to struggle on.

This is a government that, in many ways, said it would stop spending money, and in some ways, it has. In other ways, it has not. When it wants to find money to spend, no matter what the laws are, it will find it. We all know that.

To be honest and straightforward, there should be an appendix to this bill which says: "Wait a minute, there is some fine print that goes along with this. There are some ways that governments do spend money and can spend money which will change this mix".

At the very outset, it ought to carry out some of the work that was carried out in the finance committee where it addressed the problem. A change in revenues does kind of change things here. Governments are aware at this time, for example, that although the goods and services tax, that despicable tax, generates a lot of money, it is not going to generate a lot of money if people do not pay it. If there are no transactions, the Government of Canada cannot collect the goods and services tax, which makes it pretty hard to get the money into your hands.

The government is now beginning to address cross-border shopping. It has not begun to address in a substantive way the fact that there is an underground economy growing in this country. It has not really looked at that one yet, but I suspect it will have to because that underground economy is growing more and more each day.

More and more people are seeing that what the Government of Canada is proposing these days is not reasonable. It is not fair. I would propose that that is the test that the government faces. The test is not writing this kind of formula down in a bill and passing the bill. That is not a test at all. It is nice and those are good intentions. It sounds like a workable formula it has going, but people across this country are saying: "That is not what you do. You may say that, but that is not what you do". It does not have very much to do with whether or not there is the generation of economic wealth in this country.

• (1630)

For example, if the government wants to target a number, 3 per cent, 5 per cent, 10 per cent or whatever, what does one do in the middle of a recession? Does one say: "Well, that is too bad but all of these companies are going to go bankrupt" , all of these individuals are going to suffer hardship and we will not help them because we have passed a law that says we cannot help them.

This week the government is going to be visited by some people from the agricultural industry again. I suspect very strongly that it is going to have to respond to them in some way. If there is a different conclusion to the GATT negotiations than the government anticipates, I suspect it will have to respond to that.

If the Government of Canada decides it needs to go to war again, I suspect it will respond to that.

The only argument I am making is that this is a wonderfully simplistic, stupid notion. The attraction is that by some magic formula, members can dictate what will occur five years from now. I am arguing that it is not possible and that in a parliamentary system no one has ever pretended that it is. In a parliamentary system unlike a congressional system, the Minister of Finance gives his best guess.

I am an admirer of the congressional system. There are lot of things about it that I would like to see us do here in Canada. For example, I would like to see all of the numbers that are used in the preparation of the budget made available to the general public, not just to one minister of the Crown, so we could all make our judgments.

I noticed that in several legislatures across Canada and here to some extent, we are now beginning to accept that there is not a great deal of need for secrecy for this. Much of this can be on the public record and you do not have to turn to the Canadian public and say: "Trust us. We know you do not know". You could turn to the public record and say: "Here is what we know, compare that with what you know. Then you can compare my judgment as a Minister of Finance against yours as an individual taxpayer". That is reasonable.

I would like to see that information flow come into Canadian politics but it is not going to be accomplished by this bill.

Earlier on I asked that if there were penalty clauses here, would that suffice? It would answer one argument, the simple argument: Does this bill actually mean anything? Does this bill tell you something that you can take with some assurance? The bill lays out a formula that, to be as fair as I can, could be interpreted as the government's intentions in one avenue of financial matters over the next little while, but only one avenue. It lays out some restrictions that it intends to impose on itself if everything else remains normal.

Unfortunately in this world, everything else does not remain normal and one has to adjust. One did not anticipate a couple of years ago that we would be in a recession or depression such as we are in right now. People were spending money, governments were taking in revenue.

One would argue, and I suppose I would, that that is the time when government's ought to get really preoccupied with debt. When the revenues are really rolling in is a great time to start paying down your debts because you have the money to do it.

When times are hard is the time to put everything on hold for just a little while and think about other priorities, of municipalities and the things we need to do such as investing in the future of our children and of the infrastructure of our nation and trying to build those things. Those would be my priorities at that moment.

They are not mine in a personal sense. If you walk into any municipality in Canada tonight, they will give you a list of things that ought to be done in their municipality. They will tell you that if they are not done they do not have much hope of attracting new industry to their town and it is going to cost them more money in the long run if they do not do it. Therefore, this is not a secret and it is not my personal philosophy of life either. It is just reality.

There are some things I would recommend that the government consider. I notice that more and more people are starting to think about this. The government of Ontario today put the question to its own people, its own civil servants, explaining the the limits we are approaching and asking how we can do things and continue as normal and spend a little less money. We may have to be a little more creative in how we go about that.

I would think that members who have been here for a while would be the first to admit that there is virtually no incentive for any civil servant at any level of government, anywhere in Canada, to cut costs. Virtually none. That is a sad statement but I believe it to be true. There is no incentive for civil servants at any level to cut costs. They may get a gold star, they may get an award or they may have a free dinner when they receive that award but basically we have not set it up that way. We do not encourage our people to examine the programs in their own work place and we do not encourage those who would know them best on a day to day basis to examine them and begin that process.

In the private sector in many countries in the world they have begun to understand it is pretty important. People in the work place know what is going on. They can help us as executives, as managers, as governments, as corporations to examine what we are doing here. I would recommend that as being something that we ought to do.

I want to read one last section of this bill and I will close. This purports to be a straightforward bill, one which says there is the limit, if you spend over it, you have to take it from somewhere else. It is clause 11:

> Inconsistent laws
>
> In the event of any inconsistency between the provisions of this Act and the provisions of any other law, the provisions of this Act prevail unless that other law expressly states that it has effect notwithstanding this Act.

In a nutshell that is what we are dealing with this afternoon. That is why I would not support it.

Mr. Don Blenkarn (Mississauga South): I suppose, Mr. Speaker, that all bills try to control spending and keep a lid on it, whether that can be done or not. My friend from the New Democratic Party is quite right, there are huge pressures from the Public Service and in departments to spend, spend, spend. They are there. There are huge problems from people wanting more, more and more from government. They are always there.

It would seem that my friend is saying: "You've got all these problems and you're trying to do this, but it won't work. Therefore, I won't support it because I won't help you to try to stop the spending". If that was the case, if the New Democratic Party feels that since it is tough to control spending, no controls on spending should be contemplated.

Is that the position of the New Democratic Party? Is it the position of the New Democratic Party that a bill which specifically says that on Tuesday next week the Minister of Finance can only present a budget having spending on programs of $100.9 billion, that notwithstanding that the minister can go and spend whatever he wants. Is it his party's position that we should not try to control the Minister of Finance and the government spending?

Is it his party's position to have a government say that by 1995–96, which is four budgets from now, the amount will be $111.25 billion and that it is unrealistic to increase spending because of all of these inflationary costs by $10.35 billion is wrong? Is that the New Democratic Party's view, that you cannot do anything about it, so do not do anything about it. Any effort to do anything about it is bad and therefore any help to control costs is bad so why not spend, spend spend and then eventually something else will happen? Is that the New Democratic Party's view?

Mr. Breaugh: At the risk of getting his blood pressure even higher, let me try to answer some of his questions. What the hon. member said is the traditional Progressive Conservative dance on the matter, that they are so smart and such great managers that they will handle debt like you would not believe. Unfortunately, that is true. It is a directional problem. The people of Canada were somehow misled to think that they would bring the debt in this country down. I think he is right. I do not ever remember them saying they were going to bring it down. They said they were going to handle it. They forgot to tell us they were going to take it up. That is the problem. There is just a little fine print there.

We are smarter in our old age. We are beginning to read not only what they say, but read some of the fine print. Let me try to tackle the hon. member's wild, spurious accusation that we are not cost conscience. Here is a thought for him.

• (1640)

I saw a poll that said most Canadians could not name most of the members in the cabinet. That tells me something. Maybe we do not need them. Nobody knows who they are. The people of Canada are not sure what they are doing. Maybe we could just do away with them. We should try that one on them for size.

I read the report of the commission on election expenses and reform the other day. That volume, in English and in French, hit my desk, put a dint in the desk. It is a pretty substantial volume. The committee might have been able to get its message out with a little less, shall we say, public relations. It was a very good effort, but that is the style of government these days. I prefer to attack the style and the substance of how governments spend money in Canada.

I have been on this topic for 20 years. It is a tough sell, I admit it. Everybody in government is pretty comfortable and pretty insulated. I have noticed, though, that at many levels the government is starting to say: "When you wanted to talk cuts in government spending, we would call in all the department heads and they would write us a 20-page memo on how many workers outside ought to get laid off". I am impressed that some people are now saying: "Maybe we should sit down and do our job. Maybe the layoffs should not occur outside. Maybe they should occur inside. Maybe we should take a look at the top dogs and see if we should kick them off the porch for a day or two. Maybe that would be a unique thing".

These are kind of shocking revelations. I do not expect them to take hold right away, but when people talk to me about cuts in government spending, I am willing to talk about cuts in government spending, but all the way up and down the system let us have a long, thorough discussion about this. Do not tell me that you are going to solve the financial problems of Canada by keeping kids out of child care facilities. That is baloney and you know it.

Talk to me about the provision of services on a broad range and if we are going to get the broom out and sweep it and shake it, let us shake them all. That would be a different thing for us to do.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to ask the member for Oshawa to return to a rather flip observation that he made against public servants because as I listened to it I found it kind of hard to take. He said that there was no one in the bureaucracy who had any incentive to reduce expenditures. I do not know how well he knows the bureaucracy, but I know it a little and I know it well enough to know that it is very responsive to the demands of the political system.

In the last decade there has been great pressure by the Canadian public put on its governments to try to control spending. I want to ask the member whether he would concede that a little of that filters through. When I say Public Service decision-makers I am not now talking about someone who supplies stationery at a counter when someone comes up and asks for it. I am talking now those who are entrusted and paid to carry out the will of the government inside the federal government. How can he say with such contempt that they have no incentive to reduce spending?

Mr. Breaugh: I note the word glib. I dislike that word because it is unfair to both the people who work for the Government of Canada and me. You can be unfair to me if you want, that is hardly of any concern to me, but to them it is unfair.

There are a number of people, for example, in the PS 2000 study who tried to make their voices heard. In the end, when they looked at the end result of that, they felt very strongly that they may have been consulted but nobody was prepared to listen. When I say sweeping from top to bottom, I mean that in the traditional sense from the top bureaucrat here on the Hill to the person who is looked at often on the bottom of the process out there. That is the person who may be able to give you the information you need to make the cuts that are sensible. Here is my cry. Why do you not listen to them once in a while? Do not feed them any more platitudes. Do not have any more conferences. Do not tell them what wonderful people they are. Forget the blue ribbons. Shut up and listen to what people across Canada, at all levels, have to say. That is a crime of which I myself am guilty because you have to learn that lesson first before you can hear their message.

Mr. Jim Karpoff (Surrey North): One of the things I would like to ask the member about is his understanding of the problem that this government has put itself in. Here it is passing legislation that is reportedly binding a future government on expenditures when last year it went to the Supreme Court and had it rule that no government can bind future governments on expenditures

That was on the Canada Assistance Plan in which there was a specific law that spelled out expenditures. It was this government that went all the way to the Supreme Court challenging that law. The Supreme Court ruled that one government cannot bind, in fiscal

matters, a following government. How do you explain this whole bill which is based on this very premise that we are going to bind a government?

Mr. Breaugh: I think this bill might have had a chance of being accepted by the public at large if it had never heard of you or seen you or had any track record by which to judge the performance of this government. You might have been successful in convincing the public that you found the new wonder bread here that will feed the nation and solve all the problems. The problem is that the public has seen your act before. It has heard every song you have to sing. It knows that you have gone as far as the Supreme Court of Canada to retain the right to spend money as you see fit.

The public has seen you exercise billions of dollars in expenditures by means of Order in Council. It has seen every scheme that mankind has concocted during the course of this century for spending money pulled off by this government. To have you walk in with a bill like this in hand and try to plead that you are born again is just too much for all of us.

Hon. Bob Kaplan (York Centre): Mr. Speaker, after disagreeing with the member for Oshawa about his attack on the Public Service, I think I would like to begin by agreeing very much with the tenor of the remarks that he just made. As he was speaking I was thinking of the old American saying, which I know must also apply in Canada, that you can fool all of the people some of the time, and some of the people all of the time, but you cannot fool all the people all of the time.

It is not the goal of this government to fool all of the people all of the time. The question is, as the member for Oshawa suggested, can it fool enough of the people enough of the time to be re-elected with the kind of performance it has had on the promise it made about deficit control? That has been a big issue in this debate and it underlies the significance of this bill. I was a member of the government and I remember very well the precise promise that it made. It is easy to remember because it was so simple. It said it was going to bring down the deficit.

Now, when questions are raised in the House about whether it has managed to bring the deficit down, it is amazing how long it takes to answer that question: "We are bringing the deficit down but it is not exactly the deficit. We are not exactly reducing the cost of government but we are sort of reducing the cost of some programs of government. We are reducing the cost of our programs but we are not reducing the cost of the Liberal programs".

Although the deficit is going up, it is really going down if you look at it through the tortuous path that this government is using, the perspective it is offering the Canadian people, to try and get out of admitting failure on the promise it made in 1984 to reduce the deficit.

Some of the government members were serious when they made the promise. They came into office determined to reduce the deficit and they did not. Concerning the large deficit which they took over in 1984, which seemed to be large by historical standards of the time, they were busy reminding Canadians that we had increased the deficit more than ever since Confederation and we had been in office for 17 years or so. They proceeded in a short period of time to see that deficit doubled. They cannot go to the Canadian people again and say they are going to reduce the deficit again. They know a promise that they would make now would not be believed because of their abject failure to keep the promise they made in 1984.

• (1650)

If the government could not keep the promise that it made in 1984, not even some of the people, let alone enough of the people, would believe that in the next election it is going to be able to reduce the deficit.

I would like to say thanks to the policies of the Liberal finance ministers which had put us temporarily through some times which looked tough then, but which in perspective with the disastrous economic performance of this government are starting to look pretty good; even those years which we were not so proud of between 1980 and 1982. The government inherited an economy which began to boom. It presided over boom times.

I just heard the member, who is a former financial writer for *The Toronto Sun*, saying that it was going to take years of economic successes for the government to be able to reduce the deficit. Let us be realistic about it, he said. If this government is capable of reducing the deficit during boom times why did it not do it? Why did it have to pull out a slide rule and so much fine print to convince Canadians of the fact that it reduced the deficit

since it took office in 1984? The government did not reduce it. It saw the deficit more than double in a much shorter period than the period of deficit increases under the Liberals.

In many of the years when we were increasing the deficit it was the right financial posture to be taking. I am not saying it was right every year, but I will say that the Conservatives inherited some good times. Even during the course of the election the indices of good times started to appear. If they were really going to reduce the deficit, if the Canadian people who took them at face value were going to be honoured by the performance of the Conservatives, they would have done what they said they were going to do. They could have reduced the deficit and they did not.

This time they will not fool all the people. They might fool some of the people, but they have to ask whether enough people are going to be fooled by this bill into believing that we do not just have to rely on this government and its record of failure and disaster to reduce the deficit; we are going to have this fancy piece of legislation that is going to do the job for us.

If you do not believe in the government, which most Canadians do not, at least believe in Parliament which has enacted a piece of legislation, the Conservatives will tell on the hustings in the next election, that will tie the hands of the Minister of Finance, who was not bound by the promises that the government made during the election, who did not perform, who did not reduce the deficit, but who now will be constrained by this major piece of legislation to keeping the deficit down.

That is the spirit in which this legislation has to be examined. Is this legislation going to force the government to honour a commitment to reduce the deficit? This piece of legislation is an insult to the Canadian people and it is an insult to Parliament. What the government is saying is that this piece of legislation is worth taking the time that it is asking the elected representatives to take to study it and to celebrate it because it is going to do the job that the Minister of Finance could not do when he had boom times and when he brought in deficit budget after deficit budget, more than doubling the national debt. Now, because we cannot trust him, here is a piece of legislation that will have the stamp of Parliament on it which we can trust.

This piece of legislation comes from an honourable tradition, a tradition which has no relevance at all to the Canadian budgetary process. It comes from the United States in which the president brings forward or proposes a budget. There are cabinet secretaries who are responsible for fighting for the budget.

However, the system in the United States is different from ours. The budget cannot just go through because the administration wants it. In our system, the administration would have to resign if its budget did not go through. In the United States system, the administration knows that its budget will not go through. It knows that it is going to have to change the budget a lot, that the power in the legislative wing of the American congressional government system is going to be heard and that programs will emerge from the legislature, budgetary programs of a sort that cannot even be introduced by members of the opposition in this country. We cannot bring forward a money bill here unless we get the government to approve of it.

In the United States where this idea comes from, anyone can introduce a money bill and the budget that results is a matter of a compromise. As I mentioned a moment ago, our system is so different that the suggestion that this bill somehow or other constrains a Minister of Finance or constrains the budgetary process really is an insult. I would hope in political science classes and government classes across the country this bill is going to be picked out as a demonstration project of how a government can try to fool enough of the people enough of the time to get re-elected.

In our system it is as easy for the Minister of Finance to change this bill after it is enacted as it is for him to violate it, if he chooses to do so. The same minister who brings forward the budget brought forward this bill. It is a bill that stands in the name of the Minister of Finance. If it suits the Minister of Finance to live with this bill, he can live with it. If he prefers changing it, he does not have to negotiate that with the opposition. In taking his budget through Parliament he does not have to obtain our approval. He does not have to compromise with the undoubted power in the Congress to bring forward money bills of equal weight, of equal authority, and sometimes more than the authority of the administration of the day in the United States. The Conservatives are hoping that when people see this bill they will remember what happened in the United States where bills like this really do constrain a government and that they will think the same situation applies in our country. That is the story of this bill.

We sent a delegation from this Chamber to the United States to pick up ideas. I am in favour of that. It is very useful for us to see what is happening in one of the world's great democracies, in the congress of a superpower. They looked at this very type of restraint and I want to quote what they had to say about it.

The Conservative members of the committee who went there recognized themselves that however valuable this type of bill is in the American system, it is meaningless in the Canadian system. It is without meaning, without the possibility of altering a determined Minister of Finance who wants to have whatever budget he brings forward approved, in whatever form he brings it forward.

By the way, if he is unsuccessful in getting that budget through he has to resign. That does not happen in the United States. In the United States if they do not get their budget through they change it. However, in our system the Minister of Finance must have control of the House for his budget, or we get a new government.

This is what a parliamentary delegation said, supported by Conservative, Liberal and NDP members, when it studied this type of American constraint on the budgetary process. I would like to quote them. They said: "Budget control legislation is a distinctly American approach to problems arising in a quite unique legislative environment. Just because the American system might need such controls does not imply that the Canadian parliamentary system would necessary benefit from the same approach despite the fact that both countries face similar fiscal problems".

• (1700)

They face similar fiscal problems but the responsibility for our deficits is the sole responsibility of the government of the day, not of the Parliament. It is the sole responsibility of the Minister of Finance of the Conservative government that it has failed to keep its promise to reduce the deficit that was there in 1984. It might have some explanation for what it did, which might have been terrific. The Conservatives think it was terrific, but it certainly was not a fulfilment of their promise to make the deficit less than when they found it; they made the deficit double what they found it.

The result of the economic performance of the government on the question of the deficit it will take to the Canadian people in the next election will be its deficit. It will not be the deficit of this Chamber. It will not be measures forced on it by the opposition in order to gain approval for its budget or for its programs. It cannot say any of that. It must take, in an accountable parliamentary system of government with a majority government, full responsibility for its economic performance. Every dollar of the deficit is one that is there only because it did or failed to do the measures that would have made it otherwise.

The Conservatives knew that back in 1982–83. They knew when they made the promise to reduce the deficit that people could accept it. The people knew that if they formed a majority government they would be able to have whatever deficit they decided to have. They blamed the Liberal government that preceded them for having the deficit that it had. We did not go around blaming the opposition for the deficit. We went around defending what we were spending the money on.

I have to remind people of something that is often forgotten, that is that many free, democratic countries like ours were also overspending in those years and were also putting off the worry about dealing with the deficit. I am not saying that dealing with the deficit was a top priority of ours. It was not. Delivering programs was a top priority of ours. We took account of the deficit but it was not our top priority.

However, it was the top priority of the Mulroney campaign team that made a promise to the Canadian people in 1984. We did not make it our top priority, but I am sure you may recall, Mr. Speaker, that they made it theirs. If they could not reduce the deficit in 1984, 1985, 1986, 1987, 1988 and 1989 when we had terrific economic performances in this country, they know that people will not believe it when they say they will will do it in the next mandate.

This fraudulent piece of legislation is brought forward to create the impression that somehow or other, if we do

not believe the Minister of Finance it does not matter because he is stuck with this legislation.

As I indicated in the question I asked of the member from Mississauga, it is as easy to deal with this restraint as it is to bring in a new expensive spending program. All they have to do in their 11-clause bill or their 300-clause bill or whatever is stick in one little clause saying that this new expenditure program which may be a fully justifiable program—I am not saying it will not be; I would like to see it before condemning it—gets the same treatment as the unemployment insurance program, namely it is outside the restraints which would otherwise apply.

This bill is no restraint at all on the government of the day. It is an attempt to make Canadian people, who I expect know better, believe that our system is more like the American system than it really is and that somehow or other the opposition or Parliament plays a role in determining what the contents of the budget are when we do not. We are bound if the budget does not go through to have an election on it.

I would urge the government, rather than trying to pull the wool over the eyes of my constituents one more time, to do some things that would really reduce the deficit.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, as one of the members of the finance committee that journeyed to Washington, I would like to pass some information on to the member for York Centre.

The member is suggesting that when Gramm-Rudman was first introduced in 1986 there were never any changes to it. In actual fact the finance committee learned that it had been changed three times because the fights among the president, the congress and the senate did not cause a smooth flow as the member would suggest.

When the bill came out in 1986 Gramm-Rudman suggested that the American deficit in 1992-1993 would be zero. They readjusted the targets two years later. In this fiscal year they are looking at a deficit of some $400 billion and getting worse because they have almost a $750 million loss in their savings and loans that they still have not figured out how they are going to pay for.

There were some problems with it. Gramm-Rudman allowed the politicians to adjust for inflation. If inflation went up 6 per cent their spending targets went up 6 per cent. That does not exist in the Canadian legislation.

The politicians made what I would say were conservative estimates on spending. When it came to projecting revenues they took a very liberal attitude and projected very high revenues. That made the deficit look smaller and at the end of the year when they tried to meet two moving targets it did not work. The minister here is trying to put it on the control side.

The Americans said: "You have a parliamentary system. You have one system. Maybe you do not need this type of legislation". Later on the report did say that this was probably good because it would focus on it. If indeed the Minister of Finance decides that he wants to change the targets, he has to come before Parliament and confess his sins as to why he might not meet these targets and where he is going to go. That would allow the opposition and all Canadians to understand.

It is quite clear that the government is not only setting targets but wants to establish targets. I do not know why the hon. member would be opposed to that.

[*Translation*]

Mr. Kaplan: Mr. Speaker, it is quite true that the Minister of Finance will have to appear before Parliament to amend this legislation if he wishes to present a budget that exceeds the spending limits in this bill or in any other legislation, but in any case, there is no such thing as a Minister of Finance who presents a budget and does not have the support of the majority of Parliament. It is not a matter of convincing the House but a simply a matter for the minister to decide. There is a difference.

I just read a book published in the United States, called *Assembly of Whores*, which describes the concessions and negotiations that are necessary in the United States for the administration to get its budget through Congress. Here, things are quite different. The government does not need us at all. In the past, the opposition's only right was the right to delay. During this Parliament, however, we even lost that right. We have no power except that of plying someone with questions for a certain time, condemning or criticizing, but everything is

still up to the government. In our system, every cent of our deficit, every single cent is the responsibility of the government. Not in the United States.

• (1710)

[*English*]

Mr. Don Blenkarn (Mississauga South): I am literally amazed that my friend would come to the House and say that the opposition cannot do anything about criticizing the government. It just does its own thing. Opposition members can go and talk on the street and make speeches, but really, they cannot change anything. The Minister of Finance has total control of everything.

You would almost wonder why they are here. The members have to realize here is a bill that specifically sets out that this Minister of Finance is going to produce a budget on Tuesday that will involve no more than $100.9 billion worth of expenditure on programs.

He does more than that. You have all sorts of targets. You can talk to the A-G. You can go after him day after day about the fact that he cannot run a country. He cannot be a minister. He cannot keep his promises. He cannot do this, that and the other. At least you have him pinned down.

Why would you not cheer this bill forward? I can criticize the bill. I am going to speak a moment or two, perhaps, if the Speaker recognizes me but surely the problem with the bill is that you hook the minister on the hook. Why would you not cheer that minister who decides to hang himself on his own petard here? Why would you not say this is wonderful? Now, we will get him.

[*Translation*]

Mr. Kaplan: Mr. Speaker, I am glad the hon. member asked the question. He asked why we want to be elected if we don't believe we can change the government's policy. I can inform the hon. member that we are not here to change the government's plans or to force it to change them. We do not have that power. We are here to provide the Canadians with an alternative. If the hon. member wants to give us a chance to show what that alternative is like, I would advise him to ask his colleagues to call an election, because that is what we are waiting for. We are not waiting for the government to do what we want it to do. We are waiting to have a chance to get rid of them.

[*English*]

The Acting Speaker (Mr. DeBlois): Another question or comment? Resuming debate.

Mr. Don Blenkarn (Mississauga South): I always felt it was the duty of all of us in Parliament to make productive comments and suggestions as to how we, representing our constituents, could help make Canada work better.

The member for York Centre has suggested that you really can only do that in an election. You never make a concrete proposal or a policy or a way of handling things except in an election. You are just here to sort of collect your pay and criticize and harp, but never to make a policy suggestion. That is just unacceptable to me.

I would suggest that it should be unacceptable to all members and certainly to the public. Here we have a very senior member of Her Majesty's Loyal Opposition saying that there is nothing the opposition can do. There is nothing the opposition would put forward and there is no policy the opposition would have. Call an election and we will tell you what we are going to do. Huh.

This is an unacceptable attitude. It means that we have half of Parliament, the entire opposition, taking the position that it is really not here to make things better for Canadians. It is merely here to politic, get power and that is all that really matters.

Surely to goodness we are elected to try to bend, alter, change, develop and improve the lot of our electorate. We are not here just to make political gains. Let me deal with this particular piece of legislation. I am critical of this legislation because it tends to tie the government's hands and it can do very serious damage to any Minister of Finance.

The bill limits with a whole series of clauses the government's total spending on programs from 1991-92 through to 1995-96, a total of five years. Essentially the bill goes back to the last budget. In the next four years this government has to keep its spending down in increases on programs to less than $10.35 billion. That is a pretty serious limitation on the increase in program costs.

I suppose if the government is capable of keeping within its inflation targets, if things do not get out of

hand, it might be able to do that. But should inflation increase, the government is still stuck with that legislative limit on its spending. It is all very well to say the government could come forward with a bill and change that limit. Yes, it could. No government can bind another government and governments in this Parliament can always change laws. But think of the embarrassment, think of the problem, coming here as a government and saying that this is all you can spend and then saying at another time: "I'm sorry we couldn't keep within our targets. We could not manage as we said we could manage". What a terrible abject story of defeat.

Yet we have the opposition which does not want to see any controls on spending because they wants to spend, spend, spend. They never want to control spending. They want to spend. Therefore, they are opposed to this bill because it tries to limit spending.

They are very worried because they believe they might take over and then they would have to come to this Parliament and change the spending limits. They were not able to keep in track and keep spending in track.

Isn't that too bad. Let us find out when they vote on this bill how they vote. Are they prepared to limit spending? Are they prepared to say that all governments should spend? Are they prepared to say: "If you want to spend more on one program, then you will have to take the money out of another program?" Or are they prepared to carry on with their usual attitude: "We'll spend and we'll advocate more spending".

Day after day goes by. They stand up in Question Period and want this program or that program or this new add-on or benefit and they never control themselves. They do not want to see anybody control them. They want to be able without the criticism of the Auditor General to go ahead and spend without limit.

Sure there are some faults in the bill. Sure there are some exemptions in terms of an emergency where you could break the bill, but you would have to explain the emergency. In terms of farm relief you could break the bill, but you would have to show that was the cause. The fact is that the spending is set out in the blue book, hopefully filed next week by the President of the Treasury Board when he tables the estimates. The spending set out by the Minister of Finance in his budget for program expenditure will be $100.9 billion and no more. In fact, it will have to be less than that.

It cannot be more and you cannot ever organize yourself to spend every last penny of your limited amount of budget to be audited by the Auditor General.

Has our Minister of Finance ever put the handcuffs on himself. But surprisingly the spenders do not want any handcuffs at all. They do not want any control on spending.

• (1720)

They talk about deficits. They say that this terrible government took over and the deficit was $180 billion or whatever. Now it is nearly $400 billion. They know, we know, the country knows that not one penny of that national debt increase from $180 billion to $400 billion is caused by program expenditure. It is caused by compound interest built up by a debt created by Liberal governments that had no limit on its appetite. When we took over their deficit was to be $37.5 billion and turned out to be well over $40 billion. We managed to crank it down to $37 billion.

Yes, the economy was booming but you were spending $16 billion more a year on programs than we took in in taxes, in programs. You had to borrow all this money, $30 million or $31 billion, and on top of that you had to borrow more money just to pay the programs.

An hon. member: Why didn't you stop the borrowing in 1985?

Mr. Blenkarn: We did and if you had been here you would have seen that. You would have seen year after year program chops. What did we get? We got the crying, the weeping, the wailing, the gnashing of teeth of members of the Official Opposition saying, oh, you do not spend enough money.

Last week when speaking on the transfer program with respect to the CAP, my friend from Broadview—Greenwood—he is the spender. He is another spender. He is the guy who said that a 5 per cent increase in welfare and Canada Assistance Plan is not good enough, you have to have more, you have to have more. The inflation rate is down to 2 per cent but he thinks the 5 per cent increase is not good enough. Two and a half times inflation is not good enough for the member from Broadview—Greenwood. He wants to spend more and more. There is the kind of spender that you get in the Liberal Party. He

does not want controls on spending, he wants the right to spend, spend, spend, spend and no controls.

Mr. Mills: I want to spend on retraining.

Mr. Blenkarn: There we are, we have now got the admission. Mr. Speaker, we now have the admission. He wants to spend but he does not say where he is going to get the money to spend. You know where he is going to get the money to spend? He will tax more or borrow more. Awful easy to borrow, not very good to tax. He wants to borrow more so really when it gets down to it these people have no desire to cut back on their appetites. They want to put this country in the hands of the IMF.

Let us not cry about deficits because you will never control deficits until you control spending. The minister has produced a bill and I can tell you I found a lot of imperfections in it. I think it should go to committee and perhaps be tightened up a bit.

Can you imagine an Official Opposition complaining about deficits but not prepared to do anything about spending even when the minister puts it in a bill? The minister says: "I will only spend $100.9 billion next year on programs and I am limited to that. If I spend more you have got me". Members opposite say: "We do not want to get you, Mr. Minister, we want you to spend more because every day in Question Period we are going to ask you to spend more. Every bill that comes along to cut spending we are going to want you to spend more. Oh, we do not want to say your hands are tied".

Yes, sir, we need a lean, mean machine in this country to make this country grow. We need to build a country and get rid of our debts and make sure we are competitive. We cannot stand any more Broadview—Greenwood giveaways.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, there is absolutely no way I could let my friend from Mississauga South get away with that. There is one thing that we say on this side of the House about the member from Mississauga South and it is that during the last election campaign, he had the courage to stand up and tell the people of Canada that the GST or the value added tax, as we were calling it at that time, was going to be a $10 billion gouge from Canadian taxpayers, when the then minister of finance from Etobicoke said that this GST was going to be revenue neutral.

I enjoy engaging in debate with the member from Mississauga South because he is on the mark many times. He was on the mark with his idea of capping interest rates on credit cards in his private member's bill which I supported in this House, but his government colleagues would not get behind him when everybody in the country was supporting him.

The problem with this bill is the fact that it is filled with loopholes. It is filled with opportunity for the government because if a reason for additional funding requirement comes along, it can always be referred to the emergency clause in this bill.

With all the best intentions of the member for Mississauga South, there is no way that the people of Canada are going to believe that this bill is anything other than smoke and mirrors and a diversion from the fact that the debt in this nation has doubled in the last few years and in spite of it doubling, we still have an economy where the people are in deep pain. We talk about retraining here, yet one cannot get retrained. We talk about hope. We are looking for it.

My question to the member is this. Does he not think that it is a bit cynical to say that we on this side of the House are not concerned about the deficit and debt, that we are just spenders when it was his government in the last five years that had 32 tax increases including the GST which he himself did not support during the last election.

Mr. Blenkarn: I do not want to disabuse of my friend. I spoke in favour of the goods and service tax or the value added tax in the election. I spoke in favour of it before the election and I want to tell him and his colleagues in the Liberal Party, on two occasions, unanimously in the House of Commons and in the finance committee endorsed that tax.

I have just been handed the financial results of the country for the first eight months of this year. If you want to take a look at spending, you will find that program spending as of the end of the first eight months was $71.24 billion. This bill means that for a 12-month period, the government will only be able to spend $97.2 billion. If you really want to put the feet of the Minister of Finance to the fire, you might find that the minister

has only the right to spend about $28 billion in the next four months of this year ending March 31.

I suspect that the minister is going to have a very hard time complying with this bill. If the opposition had any intelligence at all—hard to find any over there sometimes— they would be voting wholeheartedly for this bill. They would want this bill in place and in force before the end of the fiscal year because immediately thereafter, they would be getting the financial figures from the Department of Finance and they could go after the Minister of Finance daily about his inability to manage. You and the opposition are afraid of spending control bills. This opposition is not bright enough to have any new ideas or any new ways of going at things or even new ways to be opposition. They are not even good at being opposition.

• (1730)

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I hesitate getting into an argument between my colleague from Broadview—Greenwood and my friend from Mississauga South.

Given the statements that we heard from the member for Mississauga South, I would advise him there is a reality in Canada that exists beyond that 50 square miles of what we know as the hub of Canada or the Toronto area. There are some people who have some reality outside of the city of Toronto.

What people outside the city of Toronto want to hear is the realities of where this country is going today. They are not concerned as to what we have heard in the last few moments about who did what in 1978, who did what in 1984 or what has been happening back and forth. They want to hear where this country is going to go from this time forward, regardless of the deficit and regardless of the debt, which is $400 billion. I spoke yesterday in this House about the immense problem of paying the interest on this debt, 37 cents out of every taxpayers' dollar that buys absolutely nothing for any citizen of Canada.

With that in mind, I would like to ask the member for Mississauga South: What about the rest of Canada? What do the people in the smaller communities in this country such as Winnipeg, Edmonton, Calgary, Thunder Bay, and on the eastern seaboard that we heard so much today about the fish industry and the distress that we find there? What does this bill do for the hope, the desire and the feelings that we, as Canadians, can look to from this government and future governments with respect to where this country is going?

Mr. Blenkarn: Mr. Speaker, I think the member from Thunder Bay made a very important point. When we are spending 37 cents or 36 cents of every dollar we take in tax on interest, we have precious little money available for day care, senior citizens, training and all of the things that we would like to have. That seriously impairs the ability of this government and provincial governments to some extent that depend on our transfers and municipal governments that depend on transfers from their province to perform those things that Canadians want.

The most serious thing that we can do, and this House has that challenge, is to get our financial house in order, get our debts down and stop spending the money we are spending so that we will not have to borrow, so we will not have to pay that huge portion of the revenues of the country to the bond holders.

This is a bill designed to try to do that. It is not a perfect bill. It is a bill trying to force government to come to reality in terms of its spending. When we in this House vote money, we in effect authorize the spending of money. What we have to do is say: "Well, you can only tax so much. The only other way to get at your problem is eliminate or cut back on your spending".

I do not think we are very good at that. I think we make a mistake in committees of the House when we have the estimates before us in not cross-examining and cutting back on some of those estimates. I think we ought to be passing resolutions and cutting back estimates all the time. We have an obligation to do that. Surely we have an obligation to put some over-all controls on where we spend money. This is an attempt to do that and I would ask the opposition to support that attempt.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I have sat here for the last little while listening to some of the comments of my colleagues, especially my colleagues from across the way. I always have to remind them and anyone else who needs reminding that we do live in a parliamentary democracy.

Parliamentary democracy says that if a government wins the majority of votes that it is in control, that it can

vote whatever amounts of money it needs. It can pass pretty well whatever laws it wishes. It need not listen to opposition if it does not want to and more often than not it does not. Therefore, it is in control. From the day it is elected, it is in control.

This bill says to me that this Conservative government is admitting to the people of Canada that it has failed. It has been totally incapable of controlling its own spending. Imagine. This is the government in power. It has its own finance minister, its own cabinet, its own meetings and all of the finance officials work for it. It is saying to the Canadian public: "We cannot control our program spending. We cannot do it. We have to pass a law". That must be the reason why it would bring forward a bill such as this. What other reason could there be?

There might be another reason. There just might be. I think it is another very valid reason. The government has realized that it is going to lose the next election. It is over folks. Too bad, it is gone. Therefore, it has decided that it will try and leave a legacy of conservatism, somewhere, somehow, by passing a bill trying to control what is going to happen next time around.

It may be a good idea, but I do not happen to agree with it. I happen to believe that the only way to control spending is by the will of the people, the will of the people who are elected and the will of the people who form the government.

If you have to pass laws which have absolutely no teeth, if your minister comes in on Tuesday with a budget that is over the limit that has been set here—this is not a bill yet—the answer will be: "Well, it is not an act of Parliament yet, so we really do not have to follow it". What measure is there to make the minister and the government follow this particular plan? There is none. Who is going to send the Minister of Finance or the cabinet to jail? What is going to happen? Can you do it? Can this bill do it? No, it cannot. So why bother, except to fool people.

This is the same group of people who got elected in 1984 by saying: "We are going to battle the deficit". In 1984 they said: "Imagine, if we continue spending the way the Liberals have been spending, by the year 1992 there will be a debt of over $400 billion". They said that in 1984. Imagine that. They have been in since 1984 and do you know where the debt is now? Over $400 billion. What happened to all these plans? They always have these fantastic projections and these great plans, but they cannot seem to follow through on any of them.

Let us stop playing games. This is another attempt at game-playing, at trying to pretend that: "Hey, we have now seen the light. Hallelujah".

When you look at this piece of legislation it says very clearly: "The minister may in a budget for a particular controlled fiscal year propose program spending for the particular year that exceeds the spending limit for that particular year". He can do that if he wants.

• (1740)

There is another one here that says: "The minister may present a budget for a control fiscal year that proposes program spending for any particular control fiscal year that exceeds the spending limit for that particular year". It goes on to say under what conditions and all the rest of it.

What no one has explained to me is why we pick 3.8 per cent. In the draft legislation that had been before the finance committee somebody had proposed 3 per cent. I guess it just sounded like a nice neat amount. Now it is 3.8 per cent. Why should it be 3.8 per cent? Why should it not be 0 per cent? Why should it not be a decrease? Why should it not be 2 per cent? You have limited the Public Service to no increase, but you are saying that now the magic number is 3.8 per cent. Let me see. The proposed limits would allow program spending increases of 3.8 per cent in the fiscal year ending March 31, 1993, 3.2 per cent in fiscal year 1994, 3.2 per cent in fiscal year 1995,; and 3.6 per cent in fiscal year 1996. It then goes on to give the actual dollar amount.

What kind of divine intervention has come into their minds to tell them that this is the number?. This is it. After all, the interventions that they have had in the past have not come through. They certainly have not followed what was in their proposals. We have heard for many years about how they were going to tackle the deficit, and it was going to be gone. We are still way over $30 billion in terms of the deficit.

I ask you again: Why that particular rate? Why not a lower rate? The worst thing with setting a limit is it becomes the number you aim for. I do not happen to believe that we should aim for this number. I think we

have to do the best that we can with the moneys we have, and hopefully there could be no increases if necessary. If it were possible, would it not be a lot better than 3.8?

I ask the question. I do not happen to be one of the lucky ones who sits on that side of the House and has the moral authority to set the amount at whatever for whatever reason.

We have to remember one other thing. If you can recall, I say one of the reasons for bringing this bill forward is that this government realizes that it is finished, it is going to lose the next election, it is over, too bad. We are now into the last year of this government's mandate.

An hon. member: We hope.

Mrs. Marleau: Well, we know. Even it is admitting it with this bill. It is over and done with.

One of the things that is happening is that this bill would allow the government in a budget to propose spending that would exceed the limit for a particular year and then to say how in the next two years it is going to make it up. You tell me how a government which is not going to be here after the next election can propose this. On Tuesday the Minister of Finance can come in with all kinds of neat ideas and then afterward they can say: "Oh, oh, blame the party that came in and took over from us. It did not follow. We said it should spend this much less because we overspent this year". It does not make a lot of sense to me.

I am wondering, why now? If the government is that interested, why did it not bring in this kind of a bill in 1988, or in 1985? That was the time to start really paying down the deficit. It tried, but not very hard, I must say. It was not the biggest effort on the part of anyone. What I am saying is that the Conservative government lacks any kind of direction. It has a bottom line mentality—bottom line, bottom line, bottom line.

I have news for this Conservative government. We are not a business. We look after the interests of Canadians. Yes, it is good to have sound fiscal management, it is very good. But you must not forget that you are dealing with the lives of people. You may complain about what Liberal governments did in the past, but if you get right down to it, if it were possible to work the economic theories, in bad times governments spend and in good times governments create surpluses to pay back the times that were bad. If anyone had bothered to follow that principle from 1984–85 on, we should have no deficit at this time.

Oh, but no, we were a lot more interested in having a gay old time. We increased taxes in some of the most prosperous years that this country has ever known. We increased them in 1985, 1986 and 1987. What kind of fiscal policies did we bring in? Did we really try to battle the deficit?

We said we would, and it did come down somewhat but not enough. It did not come down enough when you consider the growth of the economy and the kind of prosperity that we had at that time.

Now when we are at a time of depression again, there are no moneys to help people. Now there are only spending restraints. Whose fault is it? You are very ready to blame past governments and I am now very ready to start blaming you for your mismanagement.

Perhaps if you had managed a little bit more wisely, we would not be in this position we are today. The idea behind all of this nonsense is to try to hoodwink Canadians into thinking that you are finally going to do something, like they do in the States.

Well, Gramm–Rudman in the States did not work. There are always ways around and it is still not working in the States. I like to think of the States as a tax increase waiting to happen. It has not faced its deficit problems. The laws that were passed and the amendments did not prevent it from running up huge deficits.

There are always emergencies. There are always wars or high unemployment. There is always something, so you have to look at everything. You cannot just set yourself some kind of a target. If you want to do that when you form the next government, if you ever do again, go right ahead.

There are many other things that are very loose about this bill and some of it is the tax expenditure loopholes. Obviously, there are times when the economy needs stimulating, and you can use a tax loophole. A tax discount can be given if you promise to invest in certain shares of certain companies. I can do all kinds of things. This does not stop that.

This does not say whether it is the right way or the wrong way. This just looks at $100 billion in year 1993. What happens if we expand the economy? Why $100 billion? Why not $80 billion that year?

I am just curious about who is the guru who came up with the magic figures and is trying to write a budget for the next five years. I have no idea who is the guru, and I am not particularly impressed with him by the way.

You talk about there being nobody on this side of the House who is fiscally responsible. I have news for you. Many of us are.

I was once a member of a municipal council, a regional council and we brought in some very different types of proposals. One of them was a pay-as-you-go proposal. I can honestly stand here today and tell you that some of the laws that we passed in 1982 which I had a great deal to do with have meant that today that regional municipality is out of debt, and so is the city.

Do not start insulting just everyone generally. Many of us are very fiscally responsible, whereas on your side you may pretend to be, but you are not. Which one of you has ever had that kind of a record? All you have is a deficit that doubles. You have to be very honest, this is a sham. This is a sham.

I will go back to to 1988 before the last election. That would have been a time to bring in tougher monetary policies. That would have been a time to start curbing inflation, but no, no. The people across the way were far more interested in winning elections, so they went on a wild spending spree.

What is to stop them from doing that now? What is to stop you from doing that now? Who knows? They will do it again. They will find a way around it. That is what they did in 1988. Not only that, but in 1988 they said to Canadians: "We are going to give you a tax break. We are going to give you a tax break". So they gave everybody a tax break.

• (1750)

It was great for getting re-elected. It did absolutely nothing for what was coming. They did not even get elected because of that. They got elected because of the free trade and the massive advertising by a third party that scared a number of people into voting and that is a very dangerous thing. I will not get into that one now.

If they had been a little bit more conscious of doing the right thing, they still might have won that election and we would not be in this—

Mr. Mills: Oh, don't say that.

Mrs. Marleau: Hopefully, they would not have, but they did. What I am saying is the free trade argument was there anyway at that time. If they had been a little bit more careful, and if they had done a little bit more of what they always go on about doing, then perhaps we would be in a better condition today and perhaps they would not need to bring in this nonsense-type of legislation. Who are we kidding?

Look around. Go around the country and ask people. One fellow here was reading letters from some of his constituents. Sure, people want us to control our spending. But do you know what? They want to get value for their money, not just to give jobs to their friends and generally pass it around to those who support them. They want to get value for their money and not just to be paid lip-service to by passing laws somewhere that really will not do a heck of a lot for anybody because there are too many loopholes around it.

The hon. member says it has been part of our system for years. Why should we not change the system? I am convinced that we can change the way we do things and get value for our money. Again, as I say, why does it have to be 3.8 per cent? Why not 3.2 per cent? Why not 2 per cent?

Mr. Epp: Keep on going another 10 minutes.

Mrs. Marleau: I am going to give the hon. member a chance to ask me questions and comments. He is enjoying this so much, I am so pleased. I would not want to stop the enjoyment he is having out of this. But he can enjoy now, he will not enjoy later. He will be quite happy if we bring in some more dollars for training because many of them are going to need retraining.

Mr. Blenkarn: Spend more money now.

Mrs. Marleau: In certain areas, why not? Who says that a certain program should not have more money spent? Who says that certain programs should not be cut off completely? Who says that? Who has said that all of these programs that are in place are the greatest and the best? There are many that we could change.

Mr. Dorin: Which one will you cut?

Mrs. Marleau: The refugee determination board is one of the great ones. This is where all the friends of Conservatives now have jobs. They have great, big high-paying jobs. They are not getting the backlog dealt with any faster. It would be a good way to start.

There are ways. Believe me there are ways. There are other areas where we should spend more money. Never mind, we will do a very good job, far better than they have been able to do in the last eight years. I have every confidence.

Seriously, we do have to look at managing our finances better. I will agree that it is not an easy answer. I want to get serious here. We all have to work at this together.

It is not by bringing in a piece of legislation that we are going to change it. We are only going to change it by each and every one of us working together, starting with us at the top. None of this imposing things.

We start with ourselves at the top and perhaps come out with a smaller, leaner cabinet. Think of the money we could save there. Think of the message that it would give to Canadians to have a much leaner type of operation.

If we think in terms of office space, every cabinet minister has to have an office in the ministry office and then he has to have an office on the Hill. Of course, he can never be at two offices at the same time so he also needs a chauffeur to keep him going between offices and between meetings. Just think about it, just the simple act of streamlining the cabinet what that could do. Then go on from there. You streamline your departments. With the way it works right now in departments, the more money you spend, the bigger you are, the more clout you have.

What about streamlining all these people into one group? There are ways of doing things very well. They are not easy. It is not a cap on spending such as this that is going make us do the kinds of things we have to do. We all have to do some serious thinking about what we are going to cut, not just say we should have an increase of 3.8 per cent or 3.2 per cent. I have said it before and I will repeat it—

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member's time has expired.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I would like to take this opportunity to comment on the member's address and perhaps ask her a question.

She made a reference earlier in her speech to the fact that the government had raised the spending limits under the bill tabled last week from what they were under the proposed act. I would like to point out to her what in fact occurred. When the finance committee undertook to examine this bill it suggested that self-financing programs, those such as unemployment insurance where the premiums pay for the programs, should be very carefully defined so that there could not be a lot of exclusions such as adding a new tax to build new highways and calling that a self-financing program.

We called for a strict definition of self-financing programs. In response to that recommendation the government limited the number of self-financing programs to four, meaning that all those others were then added under the spending control act, making the bill tighter. That was a recommendation of the finance committee which was endorsed by the member's party. I am wondering why she would now oppose the fact that the government has done what was asked by the finance committee, even though the result has been that more spending has been brought under the spending control act. Why would she oppose what her own member has recommended and was quite strong in supporting during the committee process?

Mrs. Marleau: Mr. Speaker, my problem with the whole bill is that it is a big game. It is smoke and mirror thing. It does not really matter what kind of fancy footwork and what kind of fancy things are done with this bill. It is not going to do what they would like it to do.

To do that they need the will of everyone to work together and to spend the money in the wisest possible way, every dollar they have including the dollars needed to service the debt. They have to take advantage of every saving and they have to remember that they are dealing with people.

These are very difficult times. We hear about what is happening in the Atlantic provinces. We hear about what

is happening to our farmers. We hear about what is happening in the resource sectors. We hear about what is happening in southern Ontario in terms of the manufacturing sector. All these problems cannot be dealt with by using a bottom line mentality. It just does not work.

They have to go over every dollar spent to make sure it is spent in areas where it is most needed. That is what is the most important. We do not need rhetoric about spending more in training being irresponsible. I do not think it is being irresponsible to help people retrain and prepare themselves for the future, prepare themselves to become very productive members of our Canadian society.

Investing in our future is not a waste of money, even if investing in that sector means we would have to go over the particular amount here. Maybe there is a payback and the payback would really help to bring down the deficit. How do you know that?

• (1800)

I like to believe that an expanding economy and expanding employment mean that more tax revenues come into the pot and therefore we are able to reduce the deficit, more so than by turning and cutting everybody off and saying: "Sorry about that. Don't get retrained. Don't do anything. We will keep you on welfare".

How does that make for a productive economy? How does that make for more taxes and for less deficit? I want to know because in my way of thinking it is only by working together and ensuring the people in our country get the best treatment possible that we can come out of this mess and be a much stronger, more united and more productive country.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I wish to report that the first five hours of debate are now over. When this bill is again debated in the House, we will move to the period of 10-minute speeches without questions and comments.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

YOUTH PROGRAMS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am delighted to be given the opportunity to attempt to seek more information on a couple of questions that I had raised previously.

Some of my colleagues will recall that I asked the Minister of State for Youth, when he announced his program for school dropouts, whether or not comprehensive evaluation programs had been undertaken, had been planned or were about to be initiated so that we could determine whether there would be more people working as a result of this initiative.

The minister gave an answer that was less than satisfying, and that is why I am here this evening. To be fair, the minister did supply some additional information, but it is not the kind of data that I require in order to be able to answer that basic question.

The other question that has never been answered is whether or not this school dropout initiative was actually new money or whether it was money that was taken from another program thereby reducing it. Frankly that is the government's prerogative, but it should tell us and tell Canadians whether or not that is so.

My colleagues will perhaps recall that there was a very similar supplementary question asked of the government's literacy initiative. I basically asked: "Do you have any hard facts to indicate whether or not there are more or fewer literate students today than when you began this initiative?" Lo and behold, it was a tough question because the minister responsible for that program did not happen to be in the House on that day and, to be fair there again, he supplied some additional information. Again it was not the right kind of information.

The question is a very simple one.

[*Translation*]

I will ask it in both official languages of Canada to be absolutely sure that I am understood. You began two projects. Good, no problem with that. Now, did you set

up evaluation mechanisms so that we can know whether or not this extra spending means that fewer or more young people have been able to find work and whether fewer or more Canadians can do arithmetic, read and write more easily than they could before. That is what I wanted to know. That is what Canadians want to know.

[*English*]

When we talk about program initiatives in a period of tight money, where there is a recession, where every single dollar counts, where we are undertaking initiatives, I hope, to get people back to work, we have to be absolutely certain that we are getting our money's worth.

Therefore, I had questions on both the school dropout program and on the literacy program. I wanted to know: Is this new money for the school dropout program? Are there evaluative mechanisms in place that will tell us whether or not these young people, potential dropouts, have new jobs, better jobs and significant jobs? Is it working? Likewise with the literacy initiative. Are there fewer functionally illiterate Canadians as a result of this?

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, on behalf of the Minister of State for Youth, I am pleased to tell you about the plans to evaluate the government's initiative for fighting the school dropout problem.

It has been clearly established that a higher level of education leads to better jobs.

The government is preparing to evaluate the program part of "School First". "School First" is in three interrelated parts and is meant to reduce the school dropout rate, which is about 30 per cent in Canada.

First, the part to mobilize the various interest groups seeks to involve business people, unions, educators, social workers, non-government agencies, parents and young people themselves in helping to find solutions for the school dropout problem.

The public awareness part is intended to provide the public with information on the school dropout situation in Canada and its harmful effects on our economic prosperity.

Finally, the program and services component is to support direct and indirect approaches to encourage young people at risk to remain in school.

The government is working with the provinces to develop common methods to determine to what extent the dropout rate is reduced by our initiatives together with those of the provinces.

[*English*]

PORNOGRAPHY

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, tonight I want to discuss a crucial issue that is having a major impact on Canadian society. The issue is hard core pornography and the degradation and violence inflicted on women and children.

Many violent crimes, including wife battering and the sexual abuse of women and young children, can be traced to readily available hard core pornography.

Studies on the effects of hard core pornography have been consistent in their findings. The studies conclude over and over again that pornography affects men's attitudes about sexual aggression toward women.

Hard core pornography is dangerous. It exploits innocent children and women. I was shocked to learn that children are one of the primary consumers of pornography. A national survey recently showed that 38 per cent of male and female children between 11 and 17 years old reported watching pornography at least once a month.

A later survey of grade 9 students by Professor Check showed that 80 per cent of them had watched pornography. The average age of first exposure to pornography was 12.

The pornography industry is powerful, aggressive and committed to the exploitation and subordination of women and children.

Detective Sergeant Gary Colangelo heads up the morality branch for the York Regional Police Force. Pornography is one issue his branch investigates.

The one adult-only video store in Markham, which opened fairly recently, had copies of two videos that members of the morality branch decided were pornographic. The two videos have since been removed from the shelf.

A Criminal Code provision currently makes production, distribution and possession for distribution of obscene publications a crime. There is presently no legal

definition of pornography. Instead, offensive materials are defined by the imprecise term "obscene", making it difficult for Canadian police officers to enforce.

Police officers insist they can make little headway in reducing the widespread incidence of hard core pornography if the federal government does not introduce effective and forceful legislation.

Several months ago I wrote to over 40 ministers and rabbis in the riding about the problem of hard core pornography. I explained my plans and invited members of their congregation to have friends and neighbours sign a special petition I prepared to call on the government to eliminate the production and distribution of hard core pornography.

Members of several churches participated, including St. Andrew Presbyterian Church, Unionville Alliance Church, Thornhill Presbyterian and Gormley Missionary Church.

In conclusion, I am calling on the Minister of Justice to introduce a strong bill to curb pornography. Its implementation is crucial to our nation's already fragile moral fabric.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. member for Markham—Whitchurch—Stouffville has asked the government to address the issue of hard core pornography by bringing in strong legislative measures to conquer this problem.

This is a matter of great concern to the hon. member and I would like to point out to the House that the hon. member has been one of the champions of this cause, I believe, ever since his entry into federal politics in 1984.

• (1810)

He is aware, I am sure, that many Canadians share his view that the availability of such materials is a contributing factor to violent crimes, including incidents of family violence and the sexual abuse of children and women.

The question of pornography, especially violent pornography, and whether it is associated with crimes against women has been the subject of numerous studies.

As well, the hon. member is aware that in the last few years the federal government has made several unsuccessful attempts to amend the criminal legislation regulating pornography. The most recent attempt to change the law was Bill C–54, which died on the Order Paper in 1988. Bill C–54 was contentious and was condemned by a number of groups, including literary and arts communities, libraries and civil liberties associations. However, despite this controversy, I believe there is unanimous support for stronger legislation regarding pornography involving children and violent pornography.

As has been stated previously in this House, the government intends to introduce legislation during this session of Parliament directed at prohibiting child pornography to prevent the sexual exploitation of children and to protect them from harm. I know that will receive the support of the honourable member and of all members of the House.

UNEMPLOYMENT INSURANCE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, in a recent statement to the House, I called on the federal government to listen to the pleas of small business people. I called on the government to reduce the barriers to economic recovery that this government has put in place and that are preventing small businesses from leading us out of the recession. I called on the government to abandon its high tax policies such as increases in unemployment insurance, policies which are crippling our small business.

Small business growth was a major contributor to our last economic recovery in the 1980s. Unfortunately, small business, along with all Canadians, has lost total confidence in the ability of this government to handle this recession. The symptoms of this lack of confidence are obvious. There is simply a lack of consumer spending. We have an unemployment rate of 10.4 per cent. Our bankruptcy rate continues to increase; it is up 37 per cent from 1990. Canadians are reluctant to spend due to the uncertainty of their job status.

In my province the unemployment rate remains high, at 16.9 per cent. There is little sense of recovery at this moment in my province of Prince Edward Island. The unemployment rate continues to increase every month. The bankruptcy rate increases. Potato farmers have suffered some of their toughest times in our history. Our dairy, poultry and egg farmers are watching nervously as

this government appears to be weakening its commitment to strengthen article XI and preserve our supply management system. Free trade and world restructuring appear to be leaving Canada behind.

Look at the recent layoffs in Atlantic Canada. New announcements have included Hibernia, Sears, Stone Consolidated, pulp and paper mills, Dominion Textiles, Rio Algom, Saint John Shipbuilding, Maple Leaf Mills, Coca-Cola, Iron Ore of Canada, Imperial Oil. The list goes on and on. That is a list of recent announcements in Atlantic Canada and it alone represents over 4000 jobs.

The Canadian Federation of Independent Business said in a recent brief: "The missing link is a resurgence of business and consumer confidence, both of which are powerfully affected by the actions of government".

The Atlantic Provinces Economic Council is calling for direct stimulus from the government in the form of increased spending on infrastructure projects. Many of the provincial premiers have called on the federal government to take action to stimulate a rebound in consumer confidence.

Our leader has outlined an economic plan that would help speed up the recovery. I would like to note that the plan of my party does not call for a wholesale increase in the deficit. In fact, the plan defines where the funding will come from to implement the proposals.

It is time for a concerted effort to get the economy moving again. Next Tuesday's budget must provide the needed boost in confidence to get consumer spending moving again and to put Canadians back to work.

Next Tuesday, Canadians will be looking to the budget for hope. For the sake of all of us, I certainly hope that this budget—

The Acting Speaker (Mr. DeBlois): Order, please.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, my hon. friend in her question to the minister and in her comments tonight indicated that the unemployment rate is very high in her province of Prince Edward Island.

Indeed, unemployment is too high in Canada from coast to coast. We all recognize that. For her to go on and indicate that this is a made-in-Canada recession that we have come through—and signs are coming forward that we are coming out of the recession, we know that—is totally misleading to the House.

One of the things that I would like to point out is that if my hon. friend was to read the headlines of newspapers from the United States, from Germany, from France, from Holland and from Great Britain, if she did not know which newspaper she was looking at, she would find that the headlines and comments are basically the same in all of those countries.

The thing I am trying to point out is that this is a world-wide recession that we are going through and Canada is coming out. Canada cannot come out of this recession as my hon. friend has suggested and wholesale intervene in the economy. What we have to do is get our deficit and debt under control.

As soon as we are able to do that, then the world investor confidence creates the inflow of capital into this country that is so desperately needed to create the kinds of jobs that my hon. friend is talking about.

Once international confidence has been restored in the Canadian economy—and we have seen that in the past and we will see it more after the budget—and once that happens, then we will see consumer confidence also take hold. When that happens, jobs will be created in this country and we will be on the road to prosperity the way we should be.

NUCLEAR VESSELS

Mr. John Brewin (Victoria): Mr. Speaker, on November 6 I raised a number of questions in the House about the three Orders in Council which the government introduced in the past and announced publicly on October 30, 1991.

The Orders in Council consented to the transit through Canadian waters of U.S. and British nuclear-propelled vessels, consented to U.S. and British vessels that are capable of carrying nuclear weapons to pass through Canadian waters and visit Canadian ports, and consented as well for U.S. nuclear-propelled submarines to pass submerged through Canadian waters at the Dixon entrance. The answers given by the Associate Minister of National Defence were, I submit, completely unsatisfactory.

In 1991, the Department of National Defence proposed that Orders in Council be used to consent to these various visits and passages through Canadian waters. Under the federal EARP guidelines, this request went to Environment Canada and a memorandum was prepared

dated August 28, 1991 by David Barnes of FEARO, the government office that is responsible for reviewing these proposals.

In the course of the memorandum, which was approved by the director general of operations at FEARO, he said: "National Defence's reluctance to conduct an initial assessment under the EARP needs to be questioned. It has come to our attention that the United States conducted an environmental review with extensive public involvement of an acoustic testing facility for nuclear submarines to be located at Behm Canal, Alaska, notwithstanding the obvious defence-related sensitivity of that facility. If such public consultation was possible for the United States in that situation, should it not be possible for Canada to do the same in this case before National Defence takes its decision?"

• (1820)

The recommendation of FEARO was that EARP applies to the decision to authorize the port visits and that National Defence is the initiating department. In the view of FEARO the process should be followed.

The decision of this government to go by way of Order in Council avoids a public process which is essential to the confidence that the people in my constituency of Victoria have in the visit into our waters of nuclear powered vessels and vessels which are capable of carrying nuclear arms.

If any other member of this House contemplated the building of a nuclear power plant in his or her constituency without a single public inquiry into the event, there would be hell to pay. That is precisely what this government has consented to in this case.

It is this which the people of Victoria and the people of our region object to. As a result of the government action, a lawsuit has been launched to challenge the government's opinion. It is totally inappropriate when the government has the kind of advice it has from FEARO that it should put citizens in this country through the requirement of testing these positions in court.

I call on the government to say today that it is willing to have a public review of the environmental consequences. The government says there are no problems here as a result of 20 years of looking at this. I say the time has come for the government to come out publicly and present its case and to give the people of Victoria and of our region an opportunity to speak on it.

Mr. Patrick Boyer (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the member for Victoria raises a very significant and sensitive issue, the passage of nuclear propelled submarines through Canadians waters. The Canadian government policy is very clear. It is founded on two principles: first, the preservation of Canadian sovereignty and second, the security of our environment.

I do not accept the interpretation that the member for Victoria is placing with such vehemence that the government is refusing to have any hearings into this whole issue because pursuant to the June 1990 cabinet agreement on the environmental assessment on policies to which he has referred, National Defence conducted a review of the potential environmental impact of the policy to allow these visits that he is referring to on our west coast.

Environment Canada reviewed the assessment at the request of National Defence and External Affairs. Environment Canada was satisfied with the conclusion that environmental impacts of these visits would be insignificant. Moreover, the results of those inquiries are public and the documentation to which the member refers, as if it was some document he had obtained in an amazing fashion, are public documents.

This is something that I can certainly say as a parliamentarian, and as a member of this government, we want to have the public involved in. We want the Canadian people to be satisfied that the risks that are potentially there are being addressed. That is why for 20 years since the previous Liberal government initiated this policy in 1967 about port visits, we have done these things.

We have monitored. In fact it is the monitoring program that has brought to our attention just last Tuesday the collision of a U.S. submarine allegedly in Russian waters with a Russian submarine. These things are significant. We are keeping a close watch on it. The public interest is certainly being served as it must continue to be.

WESTERN GRAIN TRANSPORTATION ACT

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on February 11, just a couple of days ago, I rose in this House to ask the government a question relating to the Western Grain Transportation Act, the decision of the Supreme Court on the Oldman case and the oppor-

tunity that it gave to the federal government to be involved in an environmental impact assessment of possible changes to the Western Grain Transportation Act.

I was looking for a response from the government that would indicate that it was going to take its previous statements and the decision of the court seriously and announce that an environmental impact study would be announced. I am quite concerned that if past practices are anything to be concerned about, then Canadians have to worry about the future of grain transportation in Canada and the impact that changes like that would have on our environment.

The question was posed to the Minister of Transport and the supplementary to the Minister of the Environment because, according to the Supreme Court decision, the Minister of Transport would be primarily the minister of responsibility here, given that any changes to the act would be initiated through the Minister of Transport.

My concern stems from the fact that the Minister of Agriculture has begun a process of public meetings throughout western Canada in which farmers and interested community individuals can discuss the future of grain transportation in Canada and possible options for change to the Western Grain Transportation Act.

Obviously, if there are options on the table for change, then there must be consideration being given by the government to make some changes. The majority of producers on the prairies who have attended those meetings have indicated that they want no change; the Western Grain Transportation Act, the Crow benefit, the *status quo*, must be maintained in order to facilitate the orderly transporting of grain to port from the elevators. They have called for some efficiencies in the system, such as ensuring that the lowest possible cost from the farm gate to the port be considered.

They have expressed some concern about the environment. Recently in the green plan the government indicated that policy decisions of government such as changes in legislation should be subjected to an environmental assessment. Most recently, on January 23 of this year, the Supreme Court of Canada indicated that an environmental assessment is a planning tool that is now regarded as an integral part of sound decision making. The earliest part in the process should be the environmental impact assessment.

I want the government to carefully consider the environmental consequences of changing the Western Grain Transportation Act before it takes steps to change the act. That would be the sound decision-making process. I feel that perhaps the opposite circumstance is being followed, that the decision to change the act has been made and later an environmental impact assessment would be followed.

I do not know the impact on the environment as a result of changes to the Western Grain Transportation Act, but I am concerned because grain moving by truck instead of on the rail would be a significant environment detriment.

I ask for clarification, and more important, I ask that the environmental impact assessment be done.

Mr. Patrick Boyer (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the member for The Battlefords—Meadow Lake has raised an important issue here relating to an issue that goes back through the whole development of the Canadian west, and that is the movement of grain.

When I was a newspaper reporter in his constituency, back in 1966 at the *News Optimist* in North Battleford, I learned a lot about the history of grain handling in the west. I hear him say, although he is a member of the New Democratic Party, that he is standing four square to maintain the *status quo*. I also hear him saying that he is concerned that public meetings are being held in western Canada relating to this issue. I would have thought, and it is certainly the view of the government, that consulting with the people is a very appropriate thing to do for any government looking at the long term interests of Canadian wheat producers and, moreover, other industries and activity that should be developing in western Canada such as greater milling and activity relating to the agricultural products in the west rather than having them shipped to my constituency where there are a lot of milling operations, bakeries, and so on.

The maintenance of the *status quo* is not necessarily in the best interests. That is why this government is looking at and set up in 1990 the transportation committee on agrifood policy. That review has looked at changes to the Western Grain Transportation Act on land use, land values, transportation, and the environment as well. The green plan applies here. That is why this environmental impact is being looked at and remains a cornerstone of this current review. No decision is going to be made until this process of discussion, these meetings, are concluded. I want to reassure the hon. member from The Battlefords of that.

Certainly it is not beyond the capacity of the people in this country to meet and discuss these problems, to look at the environment, the issue that lies behind that, which is maintenance of the *status quo,* and in this case perhaps even using the environmental argument as a means of maintaining the *status quo*. There are big issues at play here. That is why the government is taking a leadership role in seeing that they are addressed in conjunction with the producers and the citizens of western Canada.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion that the House do now adjourn is deemed to be adopted. The House therefore stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday February 19, 1992

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

REFUGEES

Ms. Barbara Greene (Don Valley North): Mr. Speaker, on December 11, 1991, the Prime Minister signed the United Nations Convention on the Rights of the Child on behalf of all Canadians. Article 9:1 reads:

> States Parties shall ensure that a child shall not be separated from his or her parents against their will, except when competent authorities subject to judicial review determine, in accordance with applicable law and procedures, that such separation is necessary for the best interest of the child.

As Canadians we all agree with the United Nations that the family is the fundamental group of society and the natural environment for the growth and well-being of all its members, and particularly children.

I therefore urge members of this House to support my Motion No. 634 and petition to the Minister of Employment and Immigration and urge the minister to change his policy to allow spouses and children of refugees to be reunited in Canada as do the United States and France.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise today to express my support for the dairy, poultry, and egg farmers of Canada in their efforts to impress upon this government the extreme importance of protecting and strengthening article XI and preserving our supply management system.

There are approximately 700 farmers and farm families in Prince Edward Island who will be at risk. It is estimated that as many as 6,250 jobs in Atlantic Canada could be lost. If the farm quota restrictions are devalued, what will happen to the balance sheets and the net worth of our farmers?

No area will be harder hit than Prince Edward Island. Island farmers hold a greater proportion of the nation's butter fat quota.

Since Island farms tend to be smaller than the national average, the Prince Edward Island dairy industry will be more vulnerable to United States competition.

Supply management products play a proportionally larger part in the economy of Prince Edward Island. Supply management must be preserved.

* * *

IMMIGRATION AND REFUGEE BOARD

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the Immigration and Refugee Board has done it again. Two Ahmadi brothers from Pakistan claimed religious persecution—identical cases, one was accepted, and one was rejected; two different tribunals and two difference decisions on the same evidence. Amnesty International reports:

> Members of the minority Ahmadiyya community in Pakistan continue to be charged and condemned to prison terms for the peaceful exercise of their religious beliefs.

There is no consistency in the decisions of these IRB tribunals.

I therefore join with refugee coalition groups and the churches in calling for an independent inquiry into the decision-making process of the IRB, the increase of negative decisions, the use of prefabricated, fill-in-the-blanks prepared decisions on the negative, and the outrageous conduct of some members when hearing cases.

I also call on the minister to review the case of the 23-year old Ahmadi and allow him to remain in Canada, as is his authority to do, on humanitarian and compassionate grounds.

* * *

HEALTH CARE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, yesterday I sat in this House in amazement, listening to a partisan New Democrat painting his party as the champion of medicare. His holier-than-thou rhetoric failed to mention that all first ministers of all political stripes and the Prime Minister agreed to discuss user fees at their meeting last week.

It was not until three days after the conference ended that the B.C. NDP took a stand on the issue, long after my leader and myself again stood in this House and challenged the first ministers.

Let it be known that the current Canada Health Act was introduced as a Liberal initiative in this Parliament in 1984.

It has since guaranteed that Canadians would not need to go first to the bank before they go to the hospital.

The message is clear. The federal government shall not be allowed to renege on its financial and moral commitment to the provinces to ensure the continued survival of medicare.

* * *

[*Translation*]

MYRIAM BÉDARD

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, it is with pleasure that I would like to draw the attention of the House to another Canadian athlete who won a medal in Albertville today.

I want to congratulate Myriam Bédard of Neufchatel, Quebec, who won a bronze medal in the women's 15-kilometre biathlon. She displayed all the technical skills and endurance required in this demanding Olympic sport. This is the first Winter Olympics in which women officially participate in the biathlon.

Canadians feel joy and pride over such an Olympic performance, which is also very motivating for all athletes in Canada.

* * *

[*English*]

SIT-RITE PRODUCTS LTD.

Mr. Bob Horner (Mississauga West): Mr. Speaker, a recent edition of *The Financial Times* explained the circumstances of yet another plant closure.

Sit-Rite Products Ltd., a manufacturer of ergonomic office and industrial work place furnishings, closed a 48,000 square foot facility in Atlanta, Georgia, in order to expand its facility in Mississauga.

On the basis of consistent quality, delivery, and service performance, Sit-Rite management found that products out of the Mississauga plant were superior to those from Atlanta.

Though Canadian employees earned higher wages, other factors such as lower employee turnover rates, access to skilled tradespeople, and better supplier reliability favoured the Mississauga plant.

The benefits of Sit-Rite's consolidation efforts are showing as the company reported a 30 per cent improvement in sales in 1990 to approximately $15 million.

Who says Canada cannot compete?

* * *

BLACK HISTORY MONTH

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, February is Black History Month in Nova Scotia.

This month has been set aside to recognize the outstanding contributions of black Nova Scotians, who have played a vital role in the history of my province since the early 17th century.

As a Nova Scotian, I take great pride in celebrating Black History Month, but I find this pride is overshadowed by the continued existence of hate literature.

Almost three months have passed since I asked the Minister of Justice to initiate investigations and, indeed, actions against the distribution of a racist piece of literature entitled *Stop Apologizing*.

Literature such as this only furthers the problems minority Canadians face on a day-to-day basis. Yet three full months later all the minister has done is write to me

to say the issue really is not her responsibility and maybe I should contact the Ontario Attorney General.

I find this non-action not only unacceptable but offensive. Each day the minister did not act was another day this deplorable hate literature sat on Canadian bookshelves.

As a sign of respect for Black History Month in Nova Scotia, I call on the Minister of Justice to take the necessary action today to stop passing the buck and to use the weight and influence of her office to stamp out this and other examples of bigotry and racism in Canada.

* * *

[*Translation*]

PRESIDENT OF QUEBEC'S UPA

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, on Monday I met farmers in my riding, in Lachute. Yesterday, the Prime Minister of Canada met Canadian farm leaders to reassure them about our position in GATT.

Except for Mr. Proulx, the president of the UPA in Quebec, they all said that they were very satisfied with this meeting and confident that the Canadian delegation, which leaves for Geneva tonight, will garner significant support from the hundred other GATT member countries.

• (1410)

What was Mr. Proulx doing yesterday morning when he met the leader of the Bloc Québécois several hours before his meeting with the Prime Minister? It is easy to understand that the strategy developed by these two leaders who are dedicated to Quebec separation is clear, and they especially do not want Canada to succeed and prevail on the subject of article XI.

Many farmers think that Mr. Proulx has no choice but to resign, and I agree with them, because he showed yesterday that his political interests take precedence over Quebec agriculture.

[*English*]

LIBERAL PARTY CONVENTION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, a welcome is in order for the many Liberals who are in the national capital region for the Liberal convention.

But this welcome should also be accompanied by a warning to those actual and potential Liberals who are opposed to the Canada-U.S. Free Trade Agreement or free trade with Mexico and want to see these agreements abrogated: You are at the wrong convention.

To those actual and potential Liberals who are opposed to the GST and proposing tax loopholes for the rich, you are at the wrong convention.

To those who wish to preserve medicare over and against the wishes of many Liberal premiers, you are at the wrong convention.

You are welcome to attend the next NDP convention where you will find a party that is not funded like the Liberal Party is, by the same people who fund the Tories.

* * *

[*Translation*]

PRESIDENT OF QUEBEC'S UPA

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have a message for our farm producers in Quebec.

Yesterday, Jacques Proulx, president of the *Union des producteurs agricoles*, decided to support the policies of the leader of the Bloc Quebecois whom he had met that morning. Mr. Proulx decided that, to him, Quebec's separation was more important than what happens to all farm producers in Quebec.

I want to say to all our farm producers that, together with Canadian producers and with the support of Quebec's genuine farm producers, our national delegation will be leaving this evening for Geneva to support their cause. We are convinced that despite the withdrawal of Jacques Proulx all farm producers are with us all the way.

S. O. 31

[*English*]

GASOLINE ADDITIVES

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the Department of National Health and Welfare continues to disregard the perils to the health of Canadians.

For the fourth time, the U.S. Environmental Protection Agency has disallowed MMT as an additive in American fuel. Studies have indicated it causes an increase in hydrocarbon emissions.

A main component of MMT, manganese, has also been linked to such disorders as Parkinson's disease and Alzheimer's disease.

MMT has been added to Canadian gasoline since the early 1970s. If the government were serious about protecting our environment and removing risks to our health, it would take immediate steps to ban the use of this additive in Canada.

There is a clean and readily available alternative. Ethanol could be used, significantly reducing the damage to our environment and potentially to our health.

At the same time Canadian farmers could sell their grain for the production of this clean burning and safe additive.

When will this government act to support Canadian farmers and consumers?

* * *

[*Translation*]

PRESIDENT OF QUEBEC'S UPA

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, I want to take this opportunity to express my complete disapproval of the attitude of the president of the UPA of Quebec. Mr. Proulx, after a meeting attended by our Prime Minister, decided not to join the Canadian delegation that is going to Europe to defend our agricultural policies.

All this makes me wonder about his sincerity, since it seems to me that as a leader he should be on the firing line to defend his troops. That firing line happens to be in Europe at the present time. I fail to understand why, and I am also very sorry that a constituent from my riding who is also president of the UPA has refused to join this delegation.

The game is not over until it is over. The third man at bat still has a chance to hit a home run. I therefore urge UPA delegates to call their president and insist that he go to Europe.

[*English*]

* * *

MEMBER FOR LASALLE—ÉMARD

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I was glad to read in the *Toronto Star* the other day that the member for LaSalle—Émard supports funding for the retraining of unemployed workers, eliminating violence against women, and cleaning up the environment.

That is exactly what this government has been doing in that $1.8 billion has been earmarked for retraining unemployed workers.

In partnership with industry and local school-boards we kick-started Skills Canada which emphasizes skills training at the high school level. As promised in the throne speech, a non-partisan panel of women is working to find ways of eliminating violence against women.

Since its inception, the green plan has been increasingly effective in helping Canadians feel they can make a difference in helping to clean up their environment, as well as attacking environmental problems at the industrial level.

If imitation is the sincerest form of flattery, I think this government should feel flattered by the hon. member for LaSalle—Émard.

* * *

[*Translation*]

UNEMPLOYMENT

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, yesterday we heard that Dominion Textiles was closing its plant in Valleyfield, Quebec. This means a loss of 225 jobs in a region where the unemployment rate is already 15 per cent. Thirty jobs were also lost in Montreal. This marks the end of the textile industry in the region. Furthermore, Bell Helicopter has announced 80 lay-offs at Mirabel. In Quebec, the unemployment

rate is now 13 per cent. Is that supposed to be cost-effective federalism?

Quebec's unemployment rate has always been higher than the Canadian average due to federal policies that tend to overlook Quebec in terms of industrial investment and research and development. The government's next budget will do nothing for Quebec. This government is ignoring millions of Quebecers who are unemployed or living on welfare. Quebec has no choice but to go its own way.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Prime Minister.

Yesterday the Minister of Finance said that his budget will take into consideration the realities of the day. The reality today is that 1.5 million Canadians are unemployed. The reality today is that 2.5 million Canadians are on welfare. The reality today is that Canadians are suffering. They are desperate.

My question to the Prime Minister is this: Does his government's definition of reality take into account the human suffering? Does his definition of reality take into consideration that millions of Canadians do not know how they are going to pay the rent or do not know how they are going to pay the mortgage? They do not know how they are going to feed their kids.

How does the Prime Minister propose to alleviate the fear, the pain, and the suffering, the problems and the reality today?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the Minister of Finance announced yesterday that next Tuesday, February 25, at 4.30 p.m. he will be delivering his realistic budget. I would suggest that between now and then the opposition and many of the media will be writing that budget for him, but I would ask them to have patience till next Tuesday afternoon when the Minister of Finance will bring down what I believe will be a budget that will be widely supported by Canadians.

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary is again for the Prime Minister.

The casualties of this government's economic policies are mounting and all the Prime Minister can offer Canadians in terms of an economic plan is more of the same. This government's policies are laying waste to our industrial capability, especially in southwestern Ontario. The human costs are staggering: 3,600 jobs lost at Ford, 3,600 jobs at Imperial Oil, 2,000 at IBM, 1,450 at Dofasco, 1,300 at Dylex, and the list goes on and on and on.

Why are the Prime Minister and the Minister of Finance not prepared to employ creative solutions to immediately kick-start the Canadian economy? Canadians cannot wait until next year. They cannot wait until next month. They need help and they need it today. That is the reality of today.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I think we should draw to the attention of the House that most of the statistics that the hon. member rhymed off today are companies that are making these adjustments, not only in Canada but around the world. This is a restructuring that is going on today in the world. This is the realistic structure that we have to face here in Canada. As a matter of fact, there is a report out today from the Royal Bank of Canada which says that Canada has been behind in keeping up with what is going in the world today in the restructuring and that we have some catching up to do.

I want to quote from that report. The report applauded federal government efforts to control inflation, curtail spending, and reduce budget deficits. Some of its recommendations are to remove national and interprovincial trade and investment barriers. That is exactly what this government is doing.

• (1420)

[*Translation*]

Mr. John Nunziata (York South—Weston): Mr. Speaker, my third question is directed to the Prime Minister, and I hope he will reply.

In the province of Quebec, 400,000 people are unemployed and 650,000 people are on welfare. Last year 10 per cent of Quebec's forestry workers lost their jobs.

My question to the Prime Minister is this: What kind of realistic solutions does the Prime Minister intend to include in next Tuesday's budget to give Quebec's economy a boost and put Quebec's workers back to work?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will tell you what we will not do. We will not pursue policies at the national level that would have the effect of raising interest rates to 21.75 per cent, where they were when my hon. friend's party was in power. Yes, 21.75, while today interest rates are around 7.5 per cent.

This morning the inflation rate was at 3.8 per cent, but when my hon. friend was in power it was 12.9 per cent. I agree the unemployment rate is too high and we are trying to get it down, but today it is 10.4 per cent and when the Liberals were in power it was 12.8 per cent.

I can assure you that we will pursue policies but not yours.

* * *

TAXATION

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Prime Minister.

Statistics Canada reports that Canadian families are paying far more of their wages in personal income taxes than they did in 1986. Since then this government has chosen to shift the tax burden away from corporations and onto the backs of ordinary children. The personal share of tax revenue has risen 11 per cent, while the corporate share has dropped by nearly 14 per cent.

When will the Prime Minister admit that his government is engineering a massive transfer of wealth from ordinary workers to the shareholders of large corporations?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): No, that is not true at all, and I think the facts point that out. Our tax rates in Canada for corporations and small businesses must be comparable to those of our competitors. We cannot tax our industries and our businesses a higher rate than our competitors or we will lose all our businesses in this country, so that is not accurate.

As far as increases in taxes are concerned, there has been some increase in income taxes in this country. I must remind the hon. member that it was done in a period of time when there was tremendous growth in this country, when house prices where rising at 15 to 20 per cent a year, income taxes at 2.5 per cent a year, and salaries were increasing at 6 and 7 per cent a year. Compared with the other prices that were increasing in our economy, the income taxes rose at a very low rate. I might add that most of the savings, over two-thirds, that we have realized in this government has come from cost cutting.

Ms. Albina Guarnieri (Mississauga East): The minister's words are small comfort to the families that are struggling to make ends meet. This government's big business, small grocery basket agenda is particularly appreciated by foreign shareholders. While Canadian families were hit with stiffer tax bills, foreign shareholders made off with 38 per cent more interest and dividends in 1990 than in 1989, double the increase I might add that Canadian shareholders were able to bring home from abroad. When will the minister put an end to his government's policy of exporting Canadian jobs and wealth?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the hon. member is saying that people have invested here in Canada, that they are creating employment here in Canada and jobs for Canadians, that they are realizing a return on their investment and they should not have that. This country needs foreign investment if we are to grow and expand. I am not sure what the hon. member is getting at, but if the policy of the Liberal Party is no more foreign investment, let her say so.

* * *

THE ECONOMY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister. The finance minister spoke yesterday of a realistic budget. The reality for 1.5 million Canadians is that they have no jobs and their families have little hope. The reality is that we have an income tax system which lets the wealthy off the hook. It favours wealthy Canadians. The reality is that this government would rather close hospital beds than close tax loopholes. The reality is that unemployment in this country is costing Canadians $30 billion a year.

I want to ask the Prime Minister this: By " realistic", does his government mean that it will bring in a budget that will create jobs for Canadians or just do more of the same that has put Canadians out of work?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend has raised a very legitimate point, one that concerns us all, namely unemployment and how we can get it down. In the first term we brought it down from 11.7 down to 7.3. It is up to 10.4 and we hope to bring it down again by following programs that will reduce interest rates, keep inflation down, and invite foreign investment to join with national investment to create new and productive and durable jobs. I am surprised at the rhetoric of my hon. friend. All of her prefatory remarks are gratuitous and quite offensive because they bear no resemblance to any degree of reality.

I would have thought that since the NDP presented its last budget last May in Ontario my hon. friend would have realized how difficult it is for an NDP government or any government to bring in a budget.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, Canadians are looking for a government that cares about them. Canadians are looking for a government that understands what unemployment means to Canadian families, is willing to look at it seriously and do something about it.

One thing that can be done is to look at our tax system. Statistics Canada shows that between 1982 and 1990 under both Liberal and Conservative governments the income taxes of lowest income Canadians have gone up 600 per cent. That is six times the increase incurred by the wealthiest Canadians. This does not count the GST and other sales taxes.

My question to the Prime Minister is this: Is this a realistic tax policy? Is the Prime Minister prepared for his government to bring in a realistic tax policy? Will he make the tax system fairer so that everyone pays their fair share?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it is generally recognized that any tax system can be improved and successive governments seek to do that. One of the facts is that the Minister for International Trade, in his previous incarnation as Minister of Finance, closed more tax loopholes for the wealthy than any Minister of Finance in Canada's recent history. He did an excellent job of closing these unfair loopholes.

My hon. friend says, in regard to this: do something about it. Her position is always the same. When asked and pressed what do something about it means, her view of doing something about it was to spend more borrowed money. That we will not do. We have a policy of bringing down interest rates, of bringing down the inflation rate to just about a 20-year low, and of creating in the process new, durable and competitive jobs. That is a little less glamorous and a little more difficult than spending borrowed money, our children's and grandchildren's money, and throwing it at the problem.

We will not do that. We are on a course that will restore Canada to a sensible degree of economic growth and durable prosperity.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it will come with great astonishment to the Canadian people that a government that doubled the deficit during its term can lecture Canadian people on how to manage the economy.

[*Translation*]

I have a suggestion for the Prime Minister that could save him $2 billion. Will he just cancel the capital gains exemptions? In that way, he would no longer need to cut back his programs. Will he cancel the capital gains exemptions and thus recover $2 billion in taxes?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Finance will announce his intentions on tax measures on Tuesday night. That is the tradition and we will respect tradition.

• (1430)

Second, and I quote, the New Democratic leader just said: that the government doubled its deficit during its term. It is an absolute falsehood. The deficit went from $38.9 billion down to $31.5 billion. That was false.

Now my hon. friends are yelling they made a mistake; they are talking about the debt. The debt did indeed increase from $206 billion to $420 billion, every nickel of which was compound interest on the debt we inherited from the Liberals, every single one.

FISHERIES

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, this government has agreed in 1992 to give fish quotas inside our 200-mile zone to Cuba, Japan, Norway, Poland, and Russia for redfish, witch, capelin, and squid. In fact the Russians have been allocated a quota of 1,600 tonnes of cod in a zone 50 miles east of the riding of the minister of fisheries.

Will the government now cancel all of these foreign quotas inside the 200-mile zone? We need the fish. Are we going to tell our own people to sit at home while they watch as these licences are issued to foreign nations that have quotas inside our 200-mile zone?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, as always, we need to listen carefully to each word of the hon. gentleman so that we can understand what facts are being obscured.

The situation is that NAFO paid international quotas to the U.S.S.R., Cuba, and other places mentioned for 1992. We can, if we wish, agree to them fishing for some of these quotas inside our 200-mile limit. We usually do agree with respect to the former U.S.S.R. and Cuba because they are firm supporters of ours in NAFO in establishing quotas and observing the moratorium on cod catches outside 200 miles in 2J-3K-L. But, if we allow them to fish inside our 200-mile limit to catch these international quotas of redfish, witch, or whatever then they pay us licence fees in the thousands of dollars. They also have our observers onboard so we know exactly what they are doing and control exactly what we are doing.

This is a very intelligent application of policy by Canada to regulate the fishery. The hon. gentleman should be celebrating it, not attempting to denigrate it in this House.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, those are the quotas for foreign nations inside our 200-mile zone.

This year the government, against the advice of every scientist in this country, in Newfoundland, Nova Scotia, and Ottawa in the federal Department of Fisheries and Oceans, has agreed to the reopening of the cod fishery on one of the chief spawning grounds outside the 200-mile zone, on the Flemish Cap where there has been a moratorium for years on the fishing of cod.

Why did this government decide to reopen the fishery in 1991 with quotas for 1992 to the EEC, Denmark, Russia, Norway, Poland, Cuba, 12,800 tonnes, and Canada, 100 tonnes? Why is this government party to the destruction of this major cod spawning ground?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, let us just examine again what the hon. gentleman is proposing.

This is the Flemish Cap which is well outside the 200-mile limit and it is a fishery that is governed by the NAFO, the international organization.

At one time there was a moratorium in connection with the catching of cod on the Flemish Cap. Canada does not have a cod fishery there. That is why our quota is so small, 100 tonnes, and no one bothers to catch it.

Denmark and Norway, two of our staunch supporters in NAFO, asked in 1990 that the moratorium be lifted because certain countries were cheating and not observing it. They who depend upon this particular area and the fish there thought it was better to have no moratorium than to have a moratorium that was not being observed by countries such as Spain and Portugal.

We supported it. We abstained from voting. In return, Denmark, Norway and other countries supported us in our bid to get aerial surveillance accepted for surveillance enforcement outside 200 miles. They supported us in getting the hail system instituted. That is why we abstained.

The hon. gentleman should be able to see, if he cares, how sensible this is. We have to co-operate with other countries if we want them to co-operate with us, which is exactly what they did and we did. There are certain countries that are not co-operating, but not the ones gaining by our abstaining in that moratorium.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, co-operation is a two-way street, and so far Canada has not seen much co-operation from the nations that have overfished our waters.

The senior scientific adviser to the minister of fisheries has told the minister, and indeed has told members on this side of the House, that the collapse of the northern cod stock is so severe that a period of up to five years of deep quota cuts, deep restrictions on the right of Canadian fishermen to fish in their own waters, may be required to allow those now fragile cod stocks to rebuild, to regenerate to a healthy and stable level.

I want to ask the Minister of Fisheries and Oceans: Why should one pound of fish be taken in Canadian waters by foreign vessels during the next five years when Canadian vessels and Canadian fishermen must tie up and stay at home?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, that certainly sounds very patriotic and sensible until one examines it again.

First, the northern cod stock is not in as bad a state as the hon. gentleman suggests. In December the scientists advised me that the biomass was 1,130,000 tonnes. Seven weeks later they revised it downward to 780,000 tonnes. That is the difficulty we are dealing with. As they say, their scientific calculation of stock could be 25 per cent off one way or the other. That is what creates the difficulty in management.

With respect to foreign vessels, they are not allowed to fish inside our 200-mile zone for any fish or any stock that Canadians are interested in. If they fish inside then it is because we are observing the Law of the Sea convention or they are catching fish for Canadians to be processed on shore.

Does the hon. gentleman want to close Canso? Does he want to close Burgeo? Does he want to close dozens of other plants that get fish landed by foreign vessels because we do not have the technology and vessels to land the stocks at those particular plants? Is he out to do Canso and Burgeo in?

Finally, with respect to our campaign, the ambassador from South Korea was in to see me today and South Korea has already agreed to withdraw a vessel from this fishing area this year and another one in the first half of next year to start the process of withdrawing its operations in the northwest Atlantic. That is the effect of our efforts, the Prime Minister's efforts, and the efforts of the Minister for International Trade. That is the kind of effect we are having. We are getting some progress.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the minister of fisheries has asked if we want to close Canso, if we want to close Burgeo, if we want to close Canadian fish plants and shut down Canadian vessels. No, we do not. We want to close the 200-mile limit to foreign exploitation and overfishing. We want this minister to show some backbone and some guts and understand that the fishery of Atlantic Canada is not a little regional issue; it is a national issue, a matter of national pride and national interest. It is time this government stood up for the people of Atlantic Canada.

I ask Canada's Prime Minister, the Prime Minister of all of Canada: Will he now stand up for those Canadians who have been abandoned by his minister in the region of Atlantic Canada?

• (1440)

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, when we listen to this effusion what does it all come down to? It comes down to zilch.

While the hon. gentleman is effusing, what are we doing to help the situation? We have approved 575 projects in fisheries alternatives, $41.9 million in assistance, and 1,547 new jobs in alternatives to the fishery. In alternatives, $19 million was spent to create jobs outside the fishery. We helped Canso and Burgeo to reopen. Grand Bank is reopening this February with 225 jobs because of our assistance, and on and on I could go.

That is the kind of quiet, effective work we are doing when all we hear is false hysteria and play-acting by hon. gentlemen opposite.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is for the Prime Minister or the Minister for International Trade.

Yesterday we heard the Prime Minister addressing farm groups, reiterating what some of his agriculture ministers have been saying, namely that Canada has presented a balanced approach at the GATT negoti-

ations. It has attempted to protect supply management by working for a clarified and strengthened article XI.

Canada's initial presentation to the negotiating group on agriculture, presented October 20, 1987, outlined our definitive stance on agricultural negotiations. Given that it did not mention anything about article XI, could the minister or the Prime Minister tell us at what point that became part of the official negotiations? When did we enter a strengthened and clarified article XI into the negotiations?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend is very well aware—I cannot tell him precisely when that happened; I was not in the portfolio at the time—of the strong position that this government has taken for some period of time, led by the Prime Minister, in support of the supply managed sector and in support of strengthening and clarifying article XI.

This has consistently been a part of our negotiating position and it is why my colleagues and I, along with farm leaders, will be leaving this afternoon to visit Bonn, Brussels, and Geneva in support of that position.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a supplementary question.

Along with farmers, I have believed that this was our negotiating position because this is what I heard in the House and throughout Canada, but I cannot find any evidence that that was the position in the negotiations.

When did we present in writing a position that clarified what it was we were looking for? It does not show up in the documents. When did we do this and what documentation can we be provided with?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I am sure the hon. member is looking for answers in a realistic way.

The reason he has had some difficulty looking back in 1986 is that the position Canada has been continually presenting since we laid documents in 1990 in front of the GATT negotiating council has been the position for clarification and strengthening of article XI. The position was developed with the industry in light of other findings that article XI was not going to be able to give them the supply and the border control to continue supply management.

The hon. member will recall a finding by GATT on ice-cream and yogurt. That is where the position of the supply managed groups, the provinces, and the Government of Canada came from.

Mr. Rex Crawford (Kent): Mr. Speaker, my question is for the Minister of Agriculture regarding the GATT talks and Ontario soybean growers.

He knows Ontario soybeans are the third largest crop with direct gross sales of $650 million. They could be wiped out by the GATT plan of a 20 per cent subsidy reduction.

What will the minister do to save the 25,000 soybean producers in Canada?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, as the hon. member knows the Dunkel text has been used as a basis for negotiations.

It has been brought to the negotiator's attention through the SAGIT, through the representatives of Ontario corn growers who have represented soybean growers in a very strong fashion. Our negotiators are aware of it. We are looking at how that 20 per cent domestic reduction could be handled. There are opportunities for internal support for agriculture producers in the Dunkel text that could be placed in a green box. We will continue the discussions with the soybean producers in Ontario.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, my question is for the Minister of Agriculture. When farmers, implement dealers, feed dealers, and other representatives of rural Canada assemble here on Friday, what is the Minister of Agriculture going to offer other than what he has already offered by saying "Look, farmers, we are sorry. What happens over at GATT is entirely out of our hands".

What can the farmers attending on Friday expect from that rally? Can they expect to hear some new news, good news, positive news, something that they can return with to their communities and look positively on themselves and on their profession, the noble profession of farming in Canada?

Hon. Bill McKnight (Minister of Agriculture): I think, Mr. Speaker, the very important fact is that yesterday

cabinet ministers and the Prime Minister met with the farmers representing the balanced position of the Government of Canada. That is a very important step. The initiatives that were taken from that meeting, as my colleague, the minister of trade has mentioned, are that we will continue in tandem with our partners, the farmers, to present the position that Canada believes is important.

The other thing that is very important is that I have not heard from any of the farm leaders that the rally that will be held here on Friday is anything but a rally in support of the position that the Government of Canada is representing on their behalf in the international community.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, further to the minister's answer, I have a question for the Prime Minister. Farmers are united and stand together. Their objectives are clear and precise, to save their family farms. For several days now, Canadian farmers have been asking their Prime Minister whether he intends to join them in the rally this Friday. Mr. Speaker, will the Prime Minister join the farmers on Friday or not?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I spent several hours yesterday with the leaders of Canadian farm unions and farmers: I spent two hours with them at noon today and an hour or two yesterday afternoon from 4.30. I am about to leave the House to speak to President Delors, President Mitterrand, and Chancellor Kohl in order to facilitate the work of the special mission which leaves for Europe this afternoon to defend the interests of farmers in Canada and in Quebec. It is too bad that some have decided to play partisan politics instead of participating in a major international initiative in support of the true position of Canadian farmers. My work for farmers is sustained and ongoing.

[*English*]

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, yesterday farm leaders from across Canada met here in Ottawa. Supported by their counterparts from Japan, Switzerland, and the United States, their common cause was to support the orderly marketing systems here in Canada and their opposition to tariffication at the GATT.

I ask this government this. In view of the increasing opposition from Canadian farmers and those of other nations, will it place the needs of Canadians ahead of the greedy aspirations of trans–national corporations which will be the real benefactors if tariffication is accepted?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the negotiators of the Government of Canada are negotiating on behalf of the agricultural sector, the agricultural economy, a very important sector of our economy. We are not negotiating on behalf of trans–nationals and the hon. member knows that.

[*Translation*]

Mr. Guy Saint–Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Agriculture. The Prime Minister was frank and forthright with our farmers yesterday afternoon. Jacques Proulx is afraid of flying, but we all know that you, Sir, have no fear of facing GATT. As the minister responsible for agriculture, how do you intend to ensure, on your trip, that Quebec and Canadian farmers will be able to get their message across to those who do not believe in the importance of article XI?

• (1450)

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, as the Prime Minister said earlier, we were disappointed when the president of the Quebec farm producers turned down the offer made by the Prime Minister.

However, I can inform the House that only a few minutes ago the Quebec Minister of Agriculture offered to take his place to defend the interests of Quebec.

Some hon. members: Hear, hear.

Mr. Blais: Mr. Speaker, in these situations I think it is important that producers across Canada, the provincial government, and the federal government all work together to defend the ultimate interests of farm producers and refrain from seeking any partisan or other advantage.

It is now time to make an effort, and it will be quite a considerable one, to meet other countries and put forward Canada's position which is to reinforce article XI.

[*English*]

ATOMIC ENERGY OF CANADA LIMITED

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It concerns some very questionable practices of AECL, the federal Crown corporation in Saskatchewan.

Most notably, AECL has been distributing letters praising nuclear power to spectators at high school sports activities, purchasing ads in high school publications, and is now blatantly attempting to brainwash children by offering them free tickets to plays and chances to win bicycles if they accept AECL propaganda.

AECL receives $162 million annually from the federal government. I would like to ask the minister if he sees brainwashing children as an appropriate way of spending public money?

Hon. Jake Epp (Minister of Energy, Mines and Resources): No, Mr. Speaker, I would not accept brainwashing as being valid. I would just hope that the hon. member would start getting his facts straight.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the facts are quite clear. That is exactly what AECL is doing and presumably the minister is condoning that activity. It is time the minister stopped this activity and started a fair debate on this issue.

I have a further point with regard to AECL. It plans by its agreement, which the minister signed with the provincial government before the last election, to develop technology within Saskatchewan so that Saskatchewan could become the waste disposal site for Candu reactors across the world, placing in jeopardy Saskatchewan children, the children that the Prime Minister said he has fought so hard to help.

Will the minister now apologize to the people of Saskatchewan, apologize to Saskatchewan children for putting the financial viability of AECL above their interests?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I said in my first answer that I expect the hon. member to follow the facts of the issue. First of all, there is nothing in that agreement which says that Saskatchewan would become the dumping ground for nuclear waste. That is patently false. He can say what he wants and take all the liberties he wants in opposition but what he said is untrue and he knows it.

Second, he should know that Saskatchewan is a province where approximately 1,100 jobs are related to the uranium industry. He can close those up. Go ahead do it, try it and then come back to this House and complain you do not have jobs.

* * *

CITIZENSHIP

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Multiculturalism and Citizenship. I think we would all agree in this House that the spirit of citizenship is a priority in Canada to be kindled and nurtured in every possible way. Several months ago we discussed the concept of promoting the rights and responsibilities of citizenship for all Canadians, as we do so well for new Canadians.

In this 125th year of our Confederation would it be possible, for example, to launch a program to present certificates of citizenship to all Canadian students who are leaving grade six public school levels, and would that not be a reasonable way to initiate a long-term program at tolerable cost?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, this is a very excellent idea and an exciting project that we have been studying very carefully. It is very important for us to do all we can to rejoice in our citizenship and recognize the proud achievements and accomplishments that we have carried forward together.

In the very near future I will be announcing a program that will certainly encompass the ideas that are reflected in the member's thoughts today.

* * *

IMMIGRATION

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, again given the urgency of this situation, I have given notice to the Prime Minister's office of my intention to ask this question. On Monday the Prime Minister undertook to look very carefully into the imminent deportation of a Polish couple and their seven-month old Canadian baby.

I ask the Prime Minister, has he personally reviewed this case and will he let this family stay in Canada?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the Prime Minister has conveyed his interest and concern in this case to me. He has also forwarded to me the letter sent to him by the hon. member and he has instructed me to review this case fully to make sure that every aspect of it is considered in fairness. I am doing that. I am reviewing the case right now. I know that time is of the essence and I hope to be able to complete my review in the very near future and advise the hon. member as soon as I can.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary question is again for the Prime Minister. I thank the minister for his answer, but again time is running out on little Agatha and her right to stay in Canada and be brought up where she was born.

The deportation hearing is tomorrow. I ask the minister why no action has been taken yet to tell this family they can stay in Canada. Will some action be taken to ensure that the threat hanging over their heads is at least delayed.

Hon. Bernard Valcourt (Minister of Employment and Immigration): The hon. member says there has been no action. I could pretend to review the case or really review it. The member has raised points which I have to fully consider. That is what I am doing.

I have indicated that as soon as I can complete this I shall advise her of the results.

* * *

EXTERNAL AFFAIRS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to pose a question to the Secretary of State for External Affairs.

For the past several weeks, volunteer, private Canadian citizens, particularly in the provinces of Ontario and Manitoba, have collected over 200 tonnes of food and medicine to give to the people of the former republics of the Soviet Union, yet this government department refuses to provide any assistance in the transport of this very generous gift by individual Canadians.

I want to ask the minister why the government and her department are so indifferent to the generosity of Canadians. Will the minister not reconsider and have the Department of External Affairs help in the transport of this generous offer of Canadians to their counterparts in those poor republics?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows, I have conveyed the fact that I think it is important that Canadians express their support for what the government is doing in the former Soviet republics.

We have been very active in providing assistance to the former Soviet republics. We have been doing it through multilateral international agencies for a reason—through agencies like the Red Cross, the Salvation Army and so on—to ensure that it is the right kind of aid and that it goes to the right places with as little loss as possible through what we know is a very questionable distribution system.

We have encouraged Canadians who wish to participate to do the same thing through multilateral organizations. I certainly do commend people for their generosity, but we do think that in order to provide the best kind of aid we should stick with those international organizations.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the guidelines issued by the minister specifically discourage Canadians from offering donations of goods or services. Not every Canadian has a big cheque book they can sign. Many want to express themselves through the donation of gifts and services.

Why is it possible for Canadian Armed Forces planes to airlift powdered milk from Europe, which was donated to republics in the former Soviet Union, but we cannot offer the same assistance and the same kind of aid provided by Canadians.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, any aid and any products for which we have provided transport are products that have been specifically requested or specifically identified as products that are desperately needed in particular areas of the republics. We have been very careful to manage this in such a way that the tax dollars of Canadians are being used to get the best value because we are giving the best possible assistance.

• (1500)

I would encourage Canadians to participate in a way that is the most effective.

Mr. Speaker: There will be a single question from the hon. member for Comox—Alberni, followed by a single question from the hon. member for Cape Breton—East Richmond.

* * *

INDIAN AFFAIRS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, 25 years ago the Davis Inlet Innu people were forcibly removed from their traditional homeland on the Labrador mainland to a remote island. After the move, promised improvements in the living standards never materialized and 25 years later the 500-member community has no running water, no fire services, inadequate housing and no sewage treatment.

The deplorable living conditions of the Davis Inlet people received national attention last week after a tragic fire took the lives of six young children.

My two-part question to the Minister of Indian Affairs and Northern Development is this. Has the minister now committed his department to relocating the Davis Inlet people back to the mainland of Labrador as soon as possible and to providing them with adequate housing and community facilities?

Second, has the minister agreed with the president of the Innu nation to do a detailed inquiry into the root causes of the social deterioration at the Davis Inlet community and to have the term—

Mr. Speaker: I did ask the hon. member to put a single question, keeping in mind the time.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure all hon. members of this House share the deep regret and heartfelt sympathy for the loss of six children in a tragic fire early last Saturday morning at Davis Inlet in Labrador.

The relocation of the Innu to Davis Inlet on a small island, which the hon. member speaks of, was determined by the Government of Newfoundland at that time when the population of the community amounted to about 150 persons. Since that time there has been a significant growth in population. We agree that there is a need to examine the possibility of relocating that community to a more appropriate area, and I have made such an undertaking to the community.

* * *

FISHERIES

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister ought to be aware that last year the Government of Canada issued 100 factory freezer trawler licences to foreign nations to fish within Canada's 200-mile limit.

The Prime Minister ought to know, as I am sure the minister of fisheries knows, each of those particular licences represents a floating fish plant.

I want to ask the Prime Minister if he would explain to people in my district and throughout the rest of Atlantic Canada the fairness of asking Canadians to stop fishing in their own waters and, on the other hand, allowing foreign nations to fish at will.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, that is simply another misstatement of the situation.

There is no foreign fishing vessel permitted to fish within the Canadian 200-mile economic zone unless all Canadians who are interested in the fishery or even not interested in the fishery have had a chance first to say they want the fish stocks or indicated they do not want the fish.

If we have stocks that are surplus and cannot use, such as the grenadier and others it is not economic for us to fish, then foreign countries have to be offered the opportunity to catch them. We offer that opportunity to countries that support us in NAFO, that play the game in conservation, that support us when we need their support, like the former U.S.S.R., Cuba and so on.

We do not offer them to any other country that is out there despoiling fish stocks like Spain and Portugal. We allow foreign vessels in if Canadians beg and plead with us to do it for the over the side sales. The fishermen can sell the fish they cannot otherwise sell. We also allow them in if Canadian processing plants need them to catch fish that we cannot catch and land them at Canadian plants where Canadian workers process them. They are the only things keeping Canso going and Burgeo going.

Now let us face up to it and be honest. There can be opposition but there can be honesty as well. Just face up to it. This is a sensible policy.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the members' attention the presence in the gallery of Mrs. Lyn McLeod, member of the Legislative Assembly and Leader of the Ontario Liberal Party.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

CLARIFICATION OF ANSWER IN QUESTION PERIOD

Hon. Jean Corbeil (Minister of Transport): On a point of order, Mr. Speaker. I would just like to briefly clarify my answer of yesterday to a question from the hon. member for Thunder Bay—Atikokan.

In my response I indicated that the accident reports would not be made public and I would now like to be more specific.

The post accident safety review conducted by Transport Canada and referred to by the member for Thunder Bay—Atikokan will not be released because of its confidentiality under the Access to Information Act. But the final accident report by the Saudi Arabian authorities will, of course, be a public report.

TRAVEL BY MPS

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State of Canada and to Minister of Multiculturalism and Citizenship): Mr. Speaker, this morning's *Ottawa Citizen* reports "Sponsored travel by MPs since 1988 Election". It reports that I took a free trip to Italy and I would like to correct that because it is not true. When I went to Italy I paid for my own trip. As a matter of fact, I sent you a letter on January 9, 1990 just to give you notice. I did not know if it was a good or bad thing to do, but I did mention I was going to Italy on a very special matter which was *le dossier a l'Italia*. We lost our airline after 32 years. I went to Italy to help solve that problem, and finally after 26 months we did solve the problem.

I went to Italy and I paid for my ticket. I informed my office, the Assistant Deputy Registrar General of Canada,and the letter was sent to me on June 18, 1990 saying that I respected all the rules.

[*Translation*]

All I can say, is that when I went to Italy, I went to clear up a problem. Unlike some of my colleagues, I did not come back with a suitcase bulging with catalogues. I came back with 80 jobs for Montreal, and we were able to bring back the airline.

On January 19 this year, there was an official departure from Montreal, and I was invited once again. I went to the airport to say hello and pose for the official photograph, but I did not get on the plane to drink champagne.

I wanted to make this quite clear, Mr. Speaker. The reporter did not even call me to check his information. My trip to Italy, like the 22 others I have made during the past 30 years, was paid for out of my own pocket.

ROUTINE PROCEEDINGS

• (1510)

[*English*]

BILL S-2

REPORT OF LEGISLATIVE COMMITTEE F

Mr. René Soetens (Ontario): Madam Speaker, I have the honour to present, in both official languages, the report of Legislative Committee F on Bill S-2, an act to implement conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and the prevention of fiscal evasion and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes, without amendent.

HEALTH AND WELFARE, SOCIAL AFFAIRS, SENIORS AND THE STATUS OF WOMEN

THIRD REPORT OF STANDING COMMITTEE

Ms. Barbara Greene (Don Valley North): Madam Speaker, I have the honour to present the third report of the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status Women entitled Hepatitis B.

Your committee requests that the government table a comprehensive response to this report in accordance with the provisions of Standing Order 109.

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

* * *

PENSION ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C-335, an act to amend the Pension Act (prisoners of war).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Robinson: The purpose of tis bill is to ensure that there is discretion in the case of Canada prisoners of ward to award pensions and benefits to those individuals if they were imprisoned for fewer than 90 days. This matter was first brought to my attention by a constituent who was a prisoner of ward for 89 days and as a result of the very harsh and strict requirements in the present law was denied a pension. I would hope the House would agree there hsould be discretion to ensure therei s some flexibility in the case of those where were prisoners of ward for fewer than 90 days.

Madam Deputy Speaker: Mr. Robinson moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

PETITIONS

REFUGEES

Mr. Mac Harb (Ottawa Centre): It gives me great pleasure to stand today and introduce a petition on behalf of many of my constituents who are quite upset about the process of dealing with refugees who are trapped in the system, particularly those who are trapped in the backlog of the system. Those refugees are suffering from personal and economic hardship and their future is undecided as they await the slow process.

In light of the latest scenario of trying to deport a family to Poland along with their child, those refugees are—

Madam Deputy Speaker: The hon. member was getting into debate. The hon. member for South Shore.

HOUSING

Mr. Peter L. McCreath (South Shore): I have the honour, pursuant to Standing Order 36, to present a petition signed by 216 residents of Shelburne County, Nova Scotia. These people feel that the rural and native housing program and the Residential Rehabilitation Assistance Program have been very beneficial. They are concerned that in the current constitutional talks that these programs may be undermined.

The petitioners therefore humbly pray and call upon Parliament to recognize housing as a shared provincial–federal responsibility, to support all housing programs presented by Canada Mortgage and Housing Corporation, and to maintain the Canada Mortgage and Housing Corporation.

GASOLINE PRICES

Mr. Peter Milliken (Kingston and the Islands): I am pleased to rise to present a petition today signed by numerous residents of the Ottawa area. I note that the petition is on recycled paper. I am sure these petitioners would be delighted, since their petition deals with gasoline prices, if MMT were taken out of gasoline, and ethanol used to replace it to burn more cleanly. They are for the environment since they have clearly signed an environmentally—

Madam Deputy Speaker: May I ask the hon. member if this is what the petition is talking about?

Mr. Milliken: Yes, I was just coming to that.

Madam Deputy Speaker: The hon. member will come to it very quickly.

Mr. Milliken: The petitioners call upon Parliament to urge the government to correct the injustice being done to Ottawa area motorists by excessively high gasoline prices in this region. I would hope that their petition would soon be answered by the government.

JUSTICE

Mr. Bill Kempling (Burlington): Pursuant to Standing Order 36, I wish to present six petitions containing approximately 1,275 signatures of citizens of Burlington, Hamilton, Stoney Creek, Dundas, Mississauga, Oakville, Scarborough, Guelph, Kitchener, Toronto, and all over southwestern Ontario.

The petition urges the government to stiffen the penalties for violent crime and points in particular to the death of Miss Nina de Villiers who was brutally murdered on August 9, 1991. The petitioners ask the Minister of Justice and the Solicitor General to continue to review all legislation that deals with public safety and negotiate where necessary with the provincial authorities to ensure that the laws are amended to reflect the concerns expressed by the petitioners on public safety.

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, I have the honour to present a petition signed by hundreds of Canadians from across the country, in particular by a number of executive members, field workers, and staff workers of the Canadian Federation of Students.

They point out that in October 1985 the subcommittee on equality rights for the justice committee submitted a unanimous report to the House of Commons recommending that the Canadian Human Rights Act be amended to prohibit discrimination based on sexual orientation in all areas of federal jurisdiction. They point out that even though the government promised in 1986

to implement this recommendation no action has been taken on it since that time, despite the fact that a number of jurisdictions—including Quebec, Ontario, Manitoba, Yukon, and Nova Scotia—have included this protection.

Therefore they call upon Parliament to ensure the government act to immediately bring forward an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination.

[*Translation*]

POST-SECONDARY EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I have three petitions which I will present very quickly. First is a petition from Franco-Manitobans.

It mentions the globalization of the economy, the constant evolution of Canada's economy, the 3 per cent administrative charge on student loans, the $485 million cut in transfer payments to universities and colleges, and of course universal access to post-secondary education, a principle that is very dear to all Canadians, and asks the government to review its policies and change its decisions as soon as possible.

[*English*]

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): The second petition which I have the honour to present concerns the goods and services tax on reading materials. The petitioners point out that there has been no tax on these materials since the beginning of Confederation and point out that reading is a cornerstone of democracy, that productivity and literacy should not be taxed. They ask that this tax be removed, and I would concur.

TAXATION

Mr. Ronald J. Duhamel (St. Boniface): Finally, the petitioners have two other points. They point out that certain Canadians get more tax-free benefits when they have receipted child care. They feel that has limited choices.

They also point out that common law relationships enjoy certain tax benefits and tax concessions that married relationships do not. They would like to see this reversed. They would like to see it changed in a positive manner.

HUMAN RIGHTS

Mr. John Brewin (Victoria): Madam Speaker, I have the honour to present a petition along the same lines as the petition introduced by my friend for Burnaby—Kingsway dealing with the requirement and need to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination.

[*Translation*]

As I said, the petition asks Parliament to ensure that the government and Parliament immediately present a legislative amendment to add sexual orientation to the prohibited grounds for discrimination.

[*English*]

GOODS AND SERVICES TAX

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I have the honour and privilege to present to the House some duly signed petitions presented to me by my constituents who continue to oppose the goods and services tax.

They demand that the government go back to the drawing board and review all other options for tax reform in this country including the single tax.

HUMAN RIGHTS

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I have the honour to present a petition similar to the one presented by my colleague for Burnaby—Kingsway, signed by members of several communities in Canada: Edmonton, Vancouver, Windsor, and Saskatoon.

They call upon the government and Parliament to immediately bring forward an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination. They do so on the basis that in 1985 this House mandated the Standing Committee of Justice and Legal Affairs to look into the matter of equality and rights in Canada. In the same year a subcommittee indicated that sexual orientation should not be grounds for discrimination. The government itself accepted that report in 1986 but has not acted upon it.

• (1520)

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have the honour and privilege to present a petition signed by hundreds of Canadians, including some from the community of Thunder Bay which I have the honour to represent.

The petitioners point out that the Government of Canada has failed to respond to a report produced in 1985 calling for the Human Rights Act to be amended to prevent discrimination on the basis of sexual orientation in all areas of federal jurisdiction.

They call upon Parliament to ensure that the government and Parliament act to immediately bring forward an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I suggest that all questions be allowed to stand.

Madam Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commonms): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Deputy Speaker: Shall all notices of motions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SPENDING CONTROL ACT

MEASURE TO ENACT

The House resumed, from Tuesday, February 18, consideration of the motion of Mr. Mazankowski that Bill C-56, an act respecting the control of government expenditures, be read the second time and referred to Legislative Committee E.

Mr. Phillip Edmonston (Chambly): Madam Speaker, I welcome this opportunity today to speak to Bill C-56. With this legislation the federal government intends to control government expenditures. The bill arises from the conclusions of a federal finance committee which in 1991 decided there should be some control of government spending.

I rise in the House today to speak to this bill because it is an absurd piece of legislation. After looking at this government bill, it becomes clear that the government does not really intend to control its spending. That is a serious matter because today spending is out of control. We are faced with a total debt of more than $420 billion, more than twice what our debt was when the Tory government came to power in 1984.

The bill proposes to set a 3 per cent spending limit on government expenditures. However, and this is the absurd part, if they fail to keep a 3 per cent limit on spending they will try to save on other items. If the minister decides for some reason to spend 15 per cent more than last year, which means 12 per cent more than would be allowed under this bill, the government can go to another department and make enough cuts in its programs to make up the difference. The problem is that there is no way to check whether the government actually made the cuts in other areas, which would justify proposed increases in another department. What we have here is an elaborate smoke screen, because there is no way of knowing how much the government has cut back on its spending.

There is another major drawback to this bill. Let us say that two years ago the government increased spending in certain departments by 15 per cent—as in my former example—to recover the difference of 12 per cent. There is a spending limit of 3 per cent per year, which means the government may spend up to 3 per cent but not more. Two years ago when the government was looking for ways to cut spending it adjusted its budget to correct the 12 per cent overspending. This is incredible! And we cannot check what the government did to make up the difference over a period of two years. It will be extremely difficult and extremely complicated, and I think it will be impossible to verify.

Now this government may be incompetent, and it may have betrayed its sacred trust, but it certainly is not stupid. This is a very smart bill. It can camouflage all kinds of expenditures and even provide for all kinds of spending up till the next election, because if we are talking about two years, it means that two years from now. In fact, we know perfectly well the government will call an election a year and a half from now, at the latest.

This bill is an excellent opportunity for the government to spend money left and right, to give political handouts, and to create other Hibernias with the billions of dollars it will spend in it attempt to buy another election.

Although Bill C–56 seems intended to control spending, the real story is quite different. The government is not really trying to control spending; it is mostly trying to hide what it spends until the next election, so that it can buy the next election. I can tell you that will not work because the people, the voters, know that it is a sham, that this government is unable to cut its spending. That is clear.

We can talk about cuts the government has made to date, but do not look for statistics or figures. Take the presentation made to the Beaudoin–Dobbie committee by the Quebec City Chamber of Commerce, which talked about the federal government wasting $15 billion a year because of overlapping provincial and federal jurisdiction. Fifteen billion a year, Madam Speaker, is a lot of money. This bill does not deal with that at all.

Neither does this bill deal with the GST. I must tell you that 96 per cent of the population oppose the GST, and rightly so. Why? Because it is a bad tax at the wrong time. It is not visible, despite what the federal government promised us. It is a hidden tax. Worse than that, as the late journalist Marjorie Nichols wrote in an excellent report in which she had all the figures on the GST, this tax produced about $18 or $19 billion. She said that was not right because it cost between $18 and $19 billion to set up and administer this whole system. In other words, they spent $18 or $19 billion to make $18 or $19 billion. We were no further ahead than before the GST came into effect.

• (1530)

Madam Speaker, I can tell you right away about five consequences of this GST. First, the price of consumer goods has risen about 2.6 per cent. Retail sales for all retailers, small and large, are off from 5.3 to 5.6 per cent in Canada. Exports to the United States have declined by 2.9 per cent while imports to Canada have increased 5 per cent. The icing on the cake, Madam Speaker, is that Canadians, frustrated with the GST, do up to 10 per cent of their shopping for consumer goods across the border. That amounts to nearly $2.5 billion a year.

Madam Speaker, the government is not serious with this Bill C–56. We urgently need to cut the GST now. The federal government should also cut its spending because people in Quebec and elsewhere are fed up with seeing you throw money out the window.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I am delighted to join this debate on Bill C–56, an act respecting the control of government expenditures.

Immediately, even with the title of the bill, we can see an admission on the part of this government that it has been unable to manage our fiscal and monetary policies. It is clear that this bill—excuse me, Madam Speaker.

Madam Deputy Speaker: I apologize if the hon. member was disturbed. I was simply trying to answer a question which was asked by another member and I was using my fingers. I apologize and I will make sure that the time is added at the end of the hon. member's interruption.

Mr. Pagtakhan: Thank you, Madam Speaker.

As I was saying, this bill is an admission of guilt on the part of this government that over the last few years it has failed to govern, that it has failed Canadians. Why do we say that? If we start from the document, the proposed spending control act, produced by the Standing Committee on Finance last November, a committee of this House that was controlled by the majority government members, we notice immediately that even in this proposed bill, some of the excellent recommendations, and I will only mention two, that the committee proposed are not included. I refer to the definition of emergency, for example. The use of this provision must be clarified and must be subject to parliamentary approval. Without that clarification and clear delineation, I question the forthrightness of this government.

Moreover, a second proposal by this committee, that a strict definition of good management initiatives should be included in this proposed act, is missing from this piece of legislation.

Right from the beginning I questioned the forthrightness of this government and why this bill was being introduced. Page 5 of the bill, clause 4(1) states:

> The President of the Treasury Board may certify that a proposed increase in the expenditures for a specific program for a controlled fiscal year is justified by reason of good management—

Does that mean that the budget may be spent even if it does not fulfil good management? Does it mean that good management ought to be a criterion only when we have to increase the expenditure over the controlled fiscal proposal that is being made in this bill?

Let me tell you why there is a basis to believe that. Good management is not the intent of this government. I will cite a few of the facts and figures available to me at this point. From 1984 to 1990, according to the Auditor General's report, about $23 billion has been mismanaged and wasted by this government.

Let me cite a few recent examples. In 1988 a payment to a shipbuilder in advance of need resulted in the shipbuilder investing in certain securities for a loss of $4.25 million in interest payments and an estimated further loss of $1.8 million by the time of completion.

Second, in the same year it took Revenue Canada until May 27 to deposit all taxes paid, resulting in a loss of $3.4 million. This was improved later but by no means corrected.

Third, $14.3 million was spent for a bypass highway and $2.1 million was spent between 1985 and 1987 to build two bridges unrelated to offshore oil and gas and not yet connected to any road.

The International Centre for Human Rights, which is an institution I support, was established in September 1988. A cheque for $1 million was paid to the centre even though there was no one available to receive it since no employees had been hired as of July 31, 1989.

In 1990, CIDA provided $2.3 million to finance a coal washing plant in Pakistan which had achieved less than 1 per cent of capacity over 10 years. No feasibility study was completed when the project was approved.

We would like to fund useful projects. We would like to fund good initiatives, but it has to be done through proper and good management. Since 1984 who has had control over government expenditures? The answer is clear: this government. Who has doubled the national debt? The answer is clear: this government.

When you look at this so-called spending control bill, it is clear that this is a sham, a cosmetic make-up, and a camouflage, to say the least. Really, what is at issue here is not to stop spending arbitrarily but to institute good management and avoid waste and extravagance.

Earlier today in this House we heard of the many realities facing Canadians. We have 1.6 million Canadians unemployed and there are no jobs to be found. We have over 2 million on welfare and they want to work. We have seniors who remain unemployed and poor, as indicated recently by the Canadian Human Rights Commission. That is a reality.

We also have the reality that over the last many years under this government taxes have been increased several hundredfold. We also have the reality that the middle class has continued to be squeezed.

Of course I have alluded to the reality of waste, mismanagement and the scandals of this government. We have equally one reality and it is that this government has cut essential, not frivolous, cash transfer payments to the provinces. They are essential because these are payments for education of our youth and for the health of all Canadians.

Madam Speaker, if you can tell me that this government can justify letting Canadians be ill and unattended under the so-called umbrella of controlled spending, that we will not invest in our youth because we have to control spending, then I tell this government that it does not know how to manage. My leader has indicated five principles that will guide the future Liberal government. We would ensure a truly fiscally responsible government that will create an industrial strength for Canada, ensure a fair tax system, develop comprehensive and creative adjustment policies, and thereby ensure a balanced economic growth. When that happens, we can assure Canadians we will restore Canada's national purpose, to serve Canadians.

• (1540)

I believe, and I am sure you and the government will believe with me, that Canadians would rather be working than on welfare. They would rather be paid for jobs than handed unemployment insurance cheques. They would rather be able to buy clothes for their children and bread for the table than succumb to deprivation and hunger. They would rather pay their utility bills, rents, and mortgages than be frozen in their homes or evicted from them. The issue before us is not this bill, camouflaged with cosmetic make-up in preparation for an election, telling Canadians that this government wants to be serious. It has never been serious at all.

What we need is sound public policy and that means the government must exercise discretion and not delude Canadians as to its purpose. It must be sensitive to the needs of Canadians and not create a sham experiment with this bill. It must be caring and not arbitrarily control expenditures. This bill hides incompetence, extravagance, and insensitivity on the part of this government, and is an, attempt once more to delude Canadians. I say that Canadians have learned. In conclusion, I would not like this government to find an excuse to renege on its moral and financial commitment to the provinces and to Canadians with this bill.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I would like to take part in this debate on the motion by the Minister of Finance for second reading and referral to Legislative Committee E of Bill C-56, the Spending Control Act.

I must tell you that I have trouble understanding all the reasoning behind such a bill. Until today I thought that the government had full authority to run the country using the budget, the budget estimates, and all the other means at its disposal to reduce and control spending. I wonder why such a bill is necessary, especially at this time.

Canadians are cynical about politicians, and I think that the debate in this House on this bill at this time is something of a joke. I think that the time has come for the government, if it is serious and responsible, to present the nation's financial situation to the people. We must change our accounting rules. The Income Tax Act requires all Canadians to report their financial activities to the government on an accrual basis, but the government continues to run the country on a cash basis; that is, it subtracts expenditures from receipts to come up with a deficit that is added to the total debt. We do not have a balance sheet showing our assets and liabilities. As soon as a project is financed and paid for, it is shown as an expense in that year. Once the project is complete we do not have a record of costs to show exactly what major capital projects the government has carried out across the country, for example airports or any other large-scale capital project.

If we had a better perception, a balance sheet of all these activities, I think it would be easier for Canadians to understand what the government does with the money it collects in taxes and perhaps there would be a better understanding of our situation, because Canadians are very concerned now about the deficit, about the debt that has doubled in seven years. They wonder how this can be, since taxes have increased enormously at the same time. This morning we read in the papers about the result of a study showing that between 1986 and 1990, taxes on family income rose by more than 4 per cent, which is huge. Every weekend when we go to our ridings, Canadians tell us enough is enough. They have had it. They do not want to be taxed any more.

I do not know what is in the budget that will be tabled next week. The Minister of Finance knows and will tell us on February 25. But I think it is time to have a responsible accounting system so that we can report to our people who pay the taxes and they can know what is done with their money. Maybe all together—governments, elected officials, public servants—we could be more accountable to the citizenry in a way that every year they would have a realistic statement of the situation that they could understand.

I remember the previous Parliament from 1984 to 1988. At one point the Minister of Finance was not able to meet his deficit target. To increase his revenues, he announced to us in early January that deductions at

source which were paid once a month, before the 15th of the following month, would from then on have to be paid twice a month. This enabled him to receive two more deductions at source by the end of the fiscal year on March 31 and he thus came up with $2 billion more to meet his budget forecasts. In actual fact nothing changed because the $2 billion gained in that fiscal year did not appear in the next fiscal year. All he did was shift the amount around.

We have the same problem with the freeze that the government has imposed on all departments, ministers, agencies, and Crown corporations until March 31 on account of the deficit. In most cases, the expense will be postponed until April 1. That is not how we should administer our affairs. I wonder why a government would need a bill to control its spending. Why? It is as if I went to see a lawyer or a notary to draw up a contract stipulating that I could not spend more than $100 a week. Why would I need such a contract? This shows that Canadians have reason to be cynical about us. The government has the power; of course it can cut spending. It is the government's prerogative. If it cannot do it, it should let someone else take over.

I remember that the former Auditor General worked with the Auditor General of the United States on a proposed financial statement to change the system, that is, the way we report to the people on the activities of the Government of Canada. That was in 1985, when I was a member of the public accounts committee. With the Auditor General of Canada, we even met the Auditor General of the United States when we went to Washington to discuss the system. It is now 1992, and nothing has changed. The government has tabled a bill which I think is useless, so useless that it is hard to find reasons why I will vote against the bill. It is a big nothing, a bill that should never have been tabled. How can anyone vote in favour of a bill that does not do a thing? Today I think we are wasting our time and taxpayers' money by debating a government bill to legislate spending limits.

• (1550)

I see here in the House the former President of the Treasury Board. He had the power, and his successor has the power now, to cut spending. They do not need a bill to control expenditures. What they need is the political will and the courage to do so. What is the point of this bill? It will just encourage Canadians to be even more cynical about politicians, because we are wasting time trying to give the impression we want to control spending. We do not need this bill.

I am sorry to say so, but the government is incompetent. I see the Minister of Immigration who is laughing. It was his department, Madam Speaker, that appointed commissioners—I am not sure of their exact title—to control refugee claims. They earn a salary of about $92,000, and to do what? We could have dealt with these problems differently. It would have cost very little and we would have this tremendous backlog of people who have been waiting for two or three years and meanwhile have started a family here and are obliged. Today we have people who do not know from one day to the next whether they will have to go back to their country of origin or will be allowed to remain in Canada.

We should not spend time debating a bill that will not solve a thing. After all the government has the power, as it did before and will have in the future, to spend or not to spend. It just takes enough political will to decide. I hope the minister of immigration will be able to help reduce spending and will look at the whole refugee system, because despite the millions of dollars that have been spent we still have the same problem we had in 1985–86 when the legislation was passed.

Madam Speaker, you are signalling that my time is up. I wish to thank you for your patience.

[*English*]

Mr. John Brewin (Victoria): Madam Speaker, I would just like to participate for a few minutes in the closing portions of this part of the House's consideration of this bill.

The bill deals with the government's proposals for so-called ceilings and restraints on government spending.

I would like to suggest, as others have done, that the bill is simply window-dressing. It is government electioneering a year and one-half ahead of a likely election.

The bill does not come to the heart of the problem. I would like to illustrate that by looking at two points.

Clearly the issue of government spending is an important one for all Canadians who pay taxes. We want to see that our taxes are well spent and efficiently spent.

Therefore, the government needs constantly to be managing the Public Service and the government services as efficiently and effectively as it can.

To that extent there exists Treasury Board, Auditor General, and committees of Parliament designed to keep an eye on public spending.

My own personal experience is that in many respects most government departments operate very efficiently and very well.

Clearly, in anything the size of the federal government, there is room for improvement and there constantly can be more. This bill really does not address that issue. It is window-dressing.

The bill fails to address the real problem in terms of the government's pushing of public spending as an issue in its response to the Reform Party agenda on this issue.

Government spending should properly be understood in most cases to be spending on needed public services. The issue of so-called overspending by government is invariably a right-wing Conservative agenda designed to reduce, as far as possible, the public sector in this country at the expense of the private sector. We have seen over and over again, in terms of tax policy, how successive Liberal and Conservative governments have begun the shift from the corporate sector to individuals, to lighten the burden on those who can most afford to pay and pass the burden on to those who cannot. They also do it by constantly cutting back on public services of various kinds. They once said you do not need a bake sale to buy a tank or a submarine. But you do have to have bake sales for so many public services in this country. It is a question of priorities, and this government and its predecessor Liberal government, have constantly given the social sector in this country the most difficult time squeezing out any kind of money at all for very needed social services, often at the long-run expense to the public treasury.

Over and over again those who look at the issue of crime prevention have come up with the point that if money was spent at the beginning to prevent crime you would not have to spend so much on penitentiaries. That same analogy could be used on all kinds of public expenditures in this country.

As the public considers this bill it is important for it to understand the underlying hypocrisy of the government's position in suggesting that it is promoting control of public spending, when in fact over and over again it fails to put a reasonable priority on public spending and to rein in unnecessary and valueless private spending.

In the debate we constantly hear the attack on public spending and yet if we look at over-spending around our society, we see that over and over again there is unnecessary private consumption compared to the requirements of so many in our country and around the world.

Let me complete my contribution by focusing the House's attention on one other area. This government and its predecessors have failed to challenge the very assumptions of their own policies. While the government looks in the corner to try to save a nickel, it is still spending billions of dollars over here without challenging the assumptions of that spending. I refer in particular to spending in the area of defence.

For over 40 years both the Liberal and Conservative governments of Canada have spent billions and billions of Canadian taxpayers' dollars in maintaining forces in Europe. Now in the early days those expenditures were entirely necessary and valuable and were supported on all sides of the House. But as early as the sixties the government and the defence people had come to the conclusion that spending was no longer necessary for military or defence purposes. It is now well recorded that the government of the day seriously proposed withdrawing our Canadian forces from Europe back in the early seventies, but backed off because the American government did not want them to.

That issue has come up over and over again, but as early as the 1980s and certainly by 1985, according to all intelligence reports, it was very clear that if there had ever been a Soviet threat to western Europe that threat was withdrawn and the Union of Soviet Socialist Republics had changed its defence strategy into a defensive one. That was clearly documented and recorded by at least 1985. There is a lot of writing in the field that suggests there never was such a threat, but clearly by 1985 that was established. By 1988 and 1989 there could be no more doubt about it whatever; the threat had disappeared.

Yet this government continued to spend over a billion dollars a year in maintaining Canadian forces in Europe. That assumption was never challenged by the government. Only last year did the government finally make a decision to make a significant cut in our forces in Europe, and that cut is not to take effect until 1994 and 1995.

• (1600)

Even so, the government persists in maintaining 1,100 troops in Europe beyond 1995. The defence committee was recently in Europe and the evidence we received from our own military people was that 1,100 troops could not provide any useful, constructive military presence in Europe. Eleven hundred is simply a meaningless number.

They have no support, no logistics. There is no place for them. There is no strategy for them and they will obviously have no military role. Yet, the government even now persists in spending the taxpayers' money in that way.

I suggest that the government should realize that the real overspending is in its own programs and its failure to critically analyze the assumptions that underlie its policy. Its Pavlovian reaction to anything the Americans say should happen and its support of NATO over recent years, despite the fact that circumstances have clearly changed, suggest that this government's priorities are all wrong.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I am pleased to have an opportunity to participate briefly in the debate on Bill C–56.

I listened with great care to my hon. friend from Victoria. It seems to me that the NDP talking about spending control has all the credibility of an arsonist talking about fire control. I nevertheless listened with great interest to his remarks.

I think this spending control act is very important. It is not only a constriction on government spending but is a very important signal to the people of Canada that this government is serious about bringing the finances of this nation, and hence the economy of this nation, under control.

This act was part of the plan for economic recovery enunciated in the 1991 budget. It is there to make sure that spending is restrained and that the budget announced annual program spending would be limited by law.

Last summer, on the day the Minister of Finance announced this program, I had the privilege of representing him at a meeting in Halifax, Nova Scotia, attended by 80 to 100 business people, the people who are involved in creating employment in this country, small business people for the most part.

They were very pleased to see that the government was putting its money where its mouth is, that it was going to put the constraints on itself in such a way that it was not just up to the government to maybe do what it says or maybe not.

We will do what we say. We have done what we have said. Now we are legislating it so that there will be no doubt whatsoever where this government stands.

That legislation was presented in draft form on that day in July. It was then, in this draft version, brought forward to the House of Commons finance committee for review in the hope that it might be able to make some improvements to the bill. Indeed, the bill now before Parliament reflects that review. The committee tightened and reviewed the legislation.

I want to tell my hon. friends opposite that Canadians are unequivocally telling governments to keep spending under control. My friends in the NDP might remind their colleagues in Ontario of that. This new law provides assurance that higher taxes cannot be used to pay for higher spending. New programs will have to be funded within the total legislated ceiling.

There have been suggestions by some members in this debate that the spending limits in this bill are different than the ones announced by the minister. I want to assure the House that is not the case. The minister accepted the advice of the Standing Committee on Finance.

It recommended that we restrict the number of self–financing programs and do not exclude any incremental funding for the self–financing programs, incremental funding to what was included in the February 1991 budget, but exclude all spending related to those self–financing programs. This has been done.

The limited number of self–financing programs has been reduced from 11 to four: Unemployment Insurance programs, the Crop Reinsurance Program, the Agricul-

tural Stabilization Account and the Gross Revenue Insurance Program.

By excluding the February 1991 budget projections for these programs from total program spending subject to the spending limits we have reduced the over-all limits. We have not increased the limits. These revisions do not change the substance of the draft legislation. The same level of program spending is being controlled now as before. In addition, the new provision to offset any overspending through reductions over the next two fiscal years makes this bill even tighter than the previous one.

Some programs were exempted simply because it did not make sense to the government to put spending control limits on things that could not really be controlled: things like interest on the national debt; urgent and critical emergencies to which the government had to respond but for which it could not properly budget; self-financing programs such as UI and the farm income protection act; and incremental funding for management initiatives that in fact are put in place to reduce the deficit.

Therefore, the government is putting itself on the line with this bill. If spending exceeds the limit in any one year the amount of overspending must be made up through cuts in following years.

The Minister of Finance is not allowed to present a budget that is inconsistent with this act. The annual public accounts will contain a statement by the Minister of Finance indicating compliance with this act and the Auditor General will report to Parliament on whether or not the act has been complied with.

Indeed, the Minister of Finance will be required in the 1994 budget to recommend whether or not the act should be extended beyond the end of 1995-96 fiscal year.

There is a very clear signal going out to Canadians with his piece of legislation: This government is serious about spending control and this government intends to make the most effective use of every tax dollar raised for the benefit of the taxpayers.

In conclusion, I would like to say that there have been discussions with the various representatives of the parties. I believe you will find that I have unanimous consent for the following motion:

> That the motion for the second reading of Bill C-56, an Act respecting the control of government expenditures be amended by having the bill referred to the Standing Committee on Finance rather than Legislative Committee E.

Madam Deputy Speaker: Does the hon. member have the unanimous consent of the House to put the motion?

Some hon. members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I am pleased to see that Bill C-56 will be referred to the finance committee, because the latter has already examined this issue and even travelled to the United States to see how things work down there. You will remember that the committee tabled in this House a report to which I will refer in my comments.

One must seriously question if it is really necessary for a government in a British parliamentary system to propose in this House a measure to control public spendings. One wonders, or at least takes a critical view of the proposal and is somewhat sceptical.

You may ask yourself whether the Conservative government is trying to make Canadians believe that it manages the affairs of the country in a sound manner. It is obviously not the case because we have been in a terrible recession for over two years, we have a great number of Canadian workers who are unemployed. We have had high interest rates that have caused tremendous problems. On top of that recession, the government brought in some 33 new taxes. The last one was the GST which is among consumers the source of tremendous problems both at the family and regional levels.

• (1610)

The present government bragged, when it was elected in 1984, that it would put order in the financial affairs and the administration of the country. If this were already the government's stated goal in 1984, a goal which it repeated on numerous occasions, I wonder why it did not come up four, five or six years ago with a bill that would have put before Canadians the measures proposed in Bill C-56. Why did the government wait for

so long? Why did the government hesitate until almost the end of its mandate to present a bill which, in my opinion is not very clear and has no policy statement telling us where we are going with this legislation. Therefore, it will be very difficult to interpret this bill, and the wording of some of its sections leaves something to be desired.

That is the reason why I said earlier that I am pleased that the Standing Committee on Finance will be able to look at this bill, because I trust those people. With the approach that they will take, the members of the Committee will be able to examine the proposal with an open mind and possibly come back to us with proposals for amendments.

It is easy to table this bill because all those who know the workings of a parliamentary system are well aware that we have here a government, with a Prime Minister and a cabinet elected by the people, which has the power to do exactly what Bill C-56, an act respecting the control of government's expenditures, allows them to do. The system is built like that. It is not an American system; it is not the Congress. It is a system based on a parliamentary majority where the government is empowered, and even has the right, to limit expenditures or to inform the Canadian population of the reasons it may want to bring in some budgetary restraints.

In the United States the legislative power and the administration are rather clearly separated. There have been problems. On occasion, it has been necessary to use legislation to solve conflicts; I am thinking of the Gramm-Rudman—Hollings Act and the one that came after, the *Budget Enforcement Act*, on the implementation of budgetary measures. The Americans wanted to solve a dispute between the administration of the country on the one hand, which is for the most part controlled by non-elected people appointed by the President and the legislative power on the other hand, which is controlled by elected people. Such pieces of legislation were necessary to solve the problem. But it is not our problem in Canada and I wonder why this government must force upon us a measure which is almost American and which, according to me Madam Speaker, is irrelevant in a Canadian environment.

Let me refer to the report prepared by the finance committee after a visit to Washington during its study of the government working paper before the tabling of this bill; I read from paragraph 35.

Budget control legislation is a distinctly American approach to problems arising in a quite unique legislative environment. Just because the American system might need such controls does not imply that the Canadian parliamentary system would necessarily benefit from the same approach, despite the fact that both countries face similar fiscal problems.

In other words, the American solution is not necessarily the good one for Canada. I don't understand why we are losing our time studying a bill which is useless since, in our British parliamentary system, government can do exactly what is suggested in Bill C-56.

We only have to recall for example that not so long ago the Minister of Finance announced that it would be impossible to respect, presented, last year's estimates. There will be a 1.5 billion shortfall. The minister did not have to consult the House or anybody else, before making the decision to announce this shortfall, this accumulated deficit. No, he had the right to do it and he did.

The Minister of Finance has decided to freeze all discretionary expenditures until March 31, a saving of $200 million apparently. Did he come and explain to the House that he was doing this to comply with a bill introduced to control government expenditures? Not at all. He decided on his own authority, probably after consulting with cabinet, that he was going to do that. So they did. They did not need a law to do it. They had the power to do so.

If government is serious about controlling its expenditures, we should know what is really in its mind. It should tell us why it is introducing a bill such as this one. I do not understand it. I have read it. I have gone over it and found things that are absolutely unacceptable. I shall come to that immediately because I am running out of time.

Section 8 of the bill says, and I will quote because it is relevant to the annual report the Auditor General of Canada is about to table in this House. It actually creates the obligation for him to do certain things. Here is what section 8 says, and I will tell you my concern as part of my comments:

8. In reporting to Parliament in respect of the accounts of the government for a controlled fiscal year, the Auditor General of Canada shall express an opinion as to

(*a*) whether this Act has been complied with in respect of that year; and

(*b*) whether the statement referred to in subsection 6(1) fairly presents information in accordance with stated government accounting policies.

From this wording it is obvious that this whole thing is pretty unclear. The Auditor General will express an opinion on the government's accounting methods, but this provision does not provide for what we call a continuity factor. Who can give the Auditor General the assurance that the accounting methods used that year are at least the same from one year to the next? Nobody.

We compare bananas, cucumbers, carrots, and tomatoes. The same problem comes up every year with one exception and that was last year or the one before that when the Auditor General did not comment on or express reservations about the government's accounting procedures. It is the job of the Auditor General to come out every year and say that the government does not keep its books in accordance with recognized accounting methods widely used by experts in the industry, in the private sector as well as in the public sector, by governments. Something about continuity should be included in section 8 to ensure we are talking about the same thing.

[*English*]

It says here: "whether the statement referred to in subsection 6.(1) fairly presents information in accordance with stated government accounting policies".

We have had disagreements before between the public accounts committee and the government on the accounting methods that are used. This year it used $2 billion to reduce its deficit. We are not saying that it was correct or incorrect. We are just saying we have great difficulty understanding the facts as they are given to us in politics and given to the people of Canada and assessing those facts in a credible manner so we understand where we are going.

This government is doing things which are not correct in terms of accounting procedures and practices. It should correct them and that should be an amendment to this bill. Article 8 would see a continuity factor put into this and that the accounting methods used are at least the same from one year to the next.

• (1620)

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I am happy today to be able to contribute to this debate on Bill C–56, an act respecting the control of government expenditures.

I am prompted to rise to my feet today because of the simple fact that I believe Canadians are being led down the garden path, so to speak, by the government on this bill. There is no doubt throughout my constituency and in other parts of Canada as well that Canadians are frustrated, angry, and cynical. All these emotions are aimed at the present government and stem from the fact that their income security, personal security about the future, and confidence in the future of Canada have reached an all–time low.

The people of Canada I have talked to in my constituency and elsewhere have indicated a very strong desire to see something happen that will give them confidence in the future. They want confidence to believe what governments tell them. We now have a population that is very cynical about the way governments operate. They do not want to believe the things governments say to them. They have been given every reason not to believe the things they have been told. Frustration, anger, and cynicism flow out of individuals whenever they are together in coffee shops and in other places where people gather to discuss matters of interest and concern to them.

This bill talks about controlling government expenditures. In fact, that is something that many people in my constituency talk about. They talk about the government controlling expenditures because they see the media reports about the government spending money on things that have no relationship whatsoever to the ability of the individual within my constituency and elsewhere to live a better life, to have a stronger quality of life. They see the government spending money in ways that are not directly affecting them personally, when they are losing their farms, their jobs, and the opportunity to send their children to school. They are losing control of their own

lives. It is that loss of individual control that has led to directing those energies against the government.

Obviously, as I read it, this bill is an attempt to convince the Canadian population this government is serious about taking actions that will not cause them any more difficulties. There is an awful lot more at stake here. When we talk about the ability of governments to give the population of the country a quality of life and a confidence in their future, there is more to it than simply controlling government expenditures. There are two sides to every coin and governments can raise money and they can spend money. If they control spending it is one thing; if they allow revenues to disappear that is another matter. I could elaborate to some degree about the way this government has allowed revenues to slip away and how it has taken other revenues out of the economy, the GST for example, that could be utilized for other purposes and applied them to its own purposes within government.

The hon. member who spoke earlier from the government's side, from Nova Scotia, talked about New Democrats as being big spenders. I think we have to look at history to be able to understand what has happened in this country with spending.

We recall that Tommy Douglas was a sound and strong premier in the province of Saskatchewan. He inherited a very large debt and managed a government that left office without a debt in the province of Saskatchewan. Allan Blakeney, another New Democratic Party premier, managed the province of Saskatchewan for 11 years with 11 straight balanced budgets. When he left office in 1982, the province of Saskatchewan had a surplus of close to $200 million at a time when the economy was strong and continued to remain strong.

For nine subsequent years the Conservative government in the province of Saskatchewan managed to take that surplus through some good times and later some poor times and turned it into an almost $5 billion debt in a province where the annual revenues add up to less than $5 billion. In fact, the revenues available to the province of Saskatchewan equal just $4.5 billion. Obviously a $5 billion debt is beyond the ability of the people of that province to finance adequately.

In this last year we have seen the people of the provinces of Canada turn to the New Democratic Party to get them out of messes that have been created by others. As I mentioned, in the province of Saskatchewan the people left a mismanaged economy, a debt created by the Conservatives, and turned to the New Democrats to get them out of the mess.

In Ontario, the people, frustrated by Liberal deficit, turned to the NDP to manage that province properly.

In British Columbia, the people turned away from a Social Credit managed government and a Social Credit developed deficit and asked the New Democratic Party to clean up the mess.

I think that it will not be too long in the future that the fiscal mess created by this government will also be one that the people ask the New Democratic Party to clean up. I have every confidence that the New Democratic Party will be able to solve many of the problems that have been created by the present government.

When we talk about specific priorities, there is one in my own constituency that I have to talk about one more time. I have raised it in this House on numerous occasions. It is one which I have to raise again under this bill. It is the northern tax allowance program. This program recognized the inability of people who lived in northern and remote communities to have the same access to government services and resources that people in the more urban communities had access to.

In my own constituency a large number of people have asked for and received in the past the northern tax benefit. In some of those communities they received it for one year and then had it taken away from them by this government, after being told that they qualified and made the applications, people in the rural municipality of Beaver River, the rural municipality of Loon Lake, the towns of Loon Lake and Makwa.

A very unfair thing has happened to the people in those communities, people who deserve to have a benefit because of their so-called isolation from the other parts of Canada.

We recognize that everyone in Canada pays taxes. Anyone who has an income in this country above a certain level will pay taxes. We recognize that in return for those taxes the government provides a certain amount of service and a certain expectation about service. The people in communities such as Beaver River, et cetera, have an expectation about government services that can be supplied to them. They have recog-

nized that because they do not have the same access to those programs that people in Saskatoon and Regina have the government has an obligation not to charge the same tax that is charged to the people in Saskatoon and Regina.

What the northern tax program did was provide some of that funding to those people in recognition of the fact that they were not as close to the services and to the quality of life that governments can provide. Mind you, they do have access to many government services and that is why they continue to pay the taxes they do.

No one is saying that they should not be paying taxes, but there has to be recognition that the taxes that are paid by northern residents should be somewhat less than are paid by other residents of Canada.

I am asking for a fair program to be instituted once again by this government, a fair program that understands and recognizes the needs of the people in these communities. At no time does a program which is going to deal with expenditures and not revenues deal with the matters affecting the constituents who live inside the boundaries of my constituency. These are people who are frustrated, angry, and cynical about the actions of this government. They have every reason to remain so as long as this government continues to take steps that do not deal with the problems directly affecting them. Farmers see the government providing funds to them, but the funding is inadequate because they continue to lose their farms and move off their farms into larger communities.

• (1630)

While this bill is attempting to address matters of concern to people of Canada it is missing the point entirely. If this government were serious about dealing with the fiscal problems, it would deal with the revenue side and it would deal with the other problems Canadians are experiencing.

Mr. John Manley (Ottawa South): Madam Speaker, I am very pleased to have an opportunity to speak on Bill C-56 respecting the control of government expenditures. As a member of the House of Commons finance committee I spent many hours with other members of the committee hearing testimony concerning this bill when it was in the form of proposed legislation. Our committee went to Washington in a very worth-while endeavour to examine the experience the United States has had with spending control legislation.

The work of that committee on this proposed legislation was an example of how parliamentarians can work together in a very non-partisan way, despite the differences among us on the fundamental principle of whether such a bill should be enacted in the Canadian parliamentary system. We studied how it worked in the United States under their system and we looked very carefully at the proposals before us in coming up with a set of unanimous recommendations on how the bill could be made to work better in Canada.

I want to emphasize, particularly for those watching, that this report I am referring to was not a Liberal Party report or a New Democratic Party report but a report of the House of Commons finance committee unanimously agreed to by all members of that committee, a majority of which were from the Conservative Party. Despite the fact that an all-party committee made unanimous recommendations on this report the government chose to adopt very few of them, and none of the most important ones.

First, I would like to express my concerns about whether this has any place at all in a parliamentary system. This is where we ran into the contradictions between our system and the U.S. system. Let it be understood that similar legislation in the United States, although it may have a place in its congressional system, has not worked.

The original attempt at deficit control legislation in the United States, the Gramm-Rudman-Hollings Act, projected a balanced budget for the current fiscal year. The President recently brought down his proposed budget for the coming year and it projects a U.S. budgetary deficit of $399 billion for one year alone. That figure is just a little bit shy of what our total accumulated debt is and somewhat more than 10 times our projected deficit at the federal level in Canada.

If spending control legislation works the United States is not an example of it because it has failed to work there. Experts we met in Washington described the most recent version of it, the spending control act of 1990, as the incumbent re-election act. They regarded it very cynically as merely a means to take the pressure off incumbents by allowing them to go home to their districts in their system and say: "Sorry, we can't get you the new spending project you're looking for because of

the spending control act". Nevertheless, the deficit in the United States continues to mount.

So we in our committee first of all acknowledged that the debt that the Government of Canada faces is a significant problem, and there was all-party agreement on that.

What we said was that what needs to be attempted is to achieve an objective of reducing our debt as a ratio of our national income.

Focusing merely on the size of the deficit is really quite misleading. It is like any family that needs to be concerned about the level of their household debt; it is only a problem if their income is insufficient to pay their debts as they become due. And so the committee focused on that point.

On the assumption that the government was intent on bringing this legislation in, which clearly was quite accurate an assumption, we then looked at how the legislation could be improved.

The first point we focused on was the fact that there cannot be an attempt to achieve a reduction in the debt as a ratio of our national income if only government spending is looked at. Instead, one has to look not only at spending, but also at revenue.

This proposed bill has a loophole that you could drive a truck through. This bill permits the government at any time to reduce taxes, reduce the amount of revenue that it brings in, even on the eve of an election without in any way infringing the provisions of the Act.

At least in the U.S. system any proposed tax reduction that any member of Congress wants to make must be offset by a reduction in spending somewhere else in the plan.

This government has brought forward a bill that enables it, just before the next election campaign, to introduce spending cuts without in any way affecting this proposed Bill C-56.

Our committee unanimously recommended that tax expenditures be included in the control plan.

The second thing we suggested is that Parliament should be able to suspend this bill in the event of an economic downturn upon the presentation to Parliament of a report by the Minister of Finance indicating that a downturn or recession is about to occur.

In other words, if things are going really badly in the economy it may well be necessary to increase spending for a short term in order to respond to that. All that we suggested, again unanimously, was that Parliament be consulted and enabled to lift the provisions of the act.

Another recommendation we made was that this Act be tightened. One of the things that we suggested—I know I am running out of time, but I want this to be clearly understood—we suggested that cash transfers to the provinces be removed from the base which this act controls.

Now let me explain the implications of that. This bill provides for certain controls on total government spending. Included in those amounts being spent is the amount that is transferred to provincial governments under programs for the federal assistance in post-secondary education and health.

Over the past few years we have had experience of governments reducing the amount of these transfer payments, and that has been very controversial in the House of Commons.

By leaving transfer payments in the spending control base, the government can increase spending in other areas while reducing transfer payments to the provinces and still meet the requirements of the spending control act.

In other words, the government could fail to address its underlying deficit problem by transferring the problem to the provinces by cutting back what is available to them under the EPF arrangements and still not have offended Bill C-56. This to us constituted a very important loophole. There are many other loopholes. We discussed some of them with the Auditor General and his staff when he appeared.

• (1640)

Let me give one further example to indicate why I have concerns about controlled spending for five years. The effect of it is only to control spending some time after the Auditor General's report for a previous year is received. In the last years of the controlled spending program a report will necessarily be received too late for anything to be done because it will be outside the statutory period.

My reaction to this bill is that it may have good intent but is of questionable pertinence to the parliamentary system and so riddled with loopholes as to be laughable even to those who would want to support it.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I too am very pleased to stand in the House today to speak to Bill C-56, an act respecting control of government expenditure.

Here we have a government that is scrambling by producing a bill that is nothing short of smoke and mirrors. It is nothing more than another effort by this government to confuse Canadians into thinking it is really a government of good fiscal managers.

Are not governments really supposed to be in control of expenditures? Do they really have to pass a bill to convince themselves and others? Is this not something they should already be doing? Canada is in and has been in a recessionary period for almost a year.

First the government refused to use that famous "R" word and once members did learn how it was difficult for them to imagine that their own high interest rates at that time and high dollar policy helped create this made-in-Canada recession. Since then the government hit Canadians with the GST a year ago. Consumer spending and consumer confidence was shattered and that prolonged the recession.

Since this government came to power a tremendous cynicism has shrouded Canadians. It took over $160 billion in debt in 1984 and increased that debt to more than $400 billion today, in 1992. It has collaborated with the policies of the Bank of Canada to keep interest rates high and our dollar at a high level, only reducing them recently.

The high Canadian dollar is discouraging exports from Canada. One wonders what deal this government made with the U.S. government to keep our dollar rate so high.

We have seen cutbacks in transfer payments to the provinces, especially with the cap on the CAP for the provinces of Ontario, British Columbia, and Alberta. Does the government not realize how many jobs have been lost, particularly here in Ontario?

Does the government not know that in Toronto alone the jobless rate and the number of people on welfare is at an all-time high, the highest in the history of that city? Does the government not know that if we in Canada are to continue to compete in the global market we must maintain a high education standard and must ensure that retraining programs are in place for those who lost their jobs?

Here we have a government whose policies have decimated our fishing industry by callously ignoring its own people and giving preference to foreign fishermen.

Where in the world is the heart and the soul of this government?

Our Canadian farming industry is on its knees begging: "Let supply management remain in place, let this government defend its farmers at the GATT".

Now this government wants to pass legislation which would confine ministerial spending to the cumulative amount.

In other words this government cannot control its own ministers to live within its own budgets. It has to pass legislation to make sure they do.

These ministers have been shown to be incompetent. We know that on this side of the House. The Prime Minister knows they are incompetent. This begs the question as to why the Prime Minister allows them to stay. I say get rid of them. If you do not have trust in your frontline cabinet officials and if you have no trustworthy persons to replace them with, then for goodness sake let us call an election.

The Prime Minister presents a bill to legislate his ministers to keep them in line. In our parliamentary system of governing, budgetary controls are enacted. One would think that if a system of government is powerful enough to control its own fiscal policy, it could control its own spending.

This bill is nothing more than another sneaky measure to fool the people into thinking government members are responsible people.

It is hardly likely the Canadian people will elect this government again after what they have seen of it, especially since the election of 1988. They have seen the effects of the free trade deal; the GST; the government interest rates; its high dollar rate; its cutbacks in health and education and research and development; its negative impact on the CBC, VIA Rail, and Canada Post; the government's unravelling of the very fabric of this country; the closing of air bases in parts of Canada that were simply decimated by it.

This bill is to apply for five years starting in the fiscal year 1991–92. It is so desperate that it is an attempt to try to win back public support. This bill could cause the government to spend beyond the limits for each year set out in the bill. If this bill is intended to have a real impact, it would mean a new government elected would be unable to proceed with the programs for which it was elected. It would be unable to move immediately to carry out those priorities.

Of course a new government could amend legislation. But if this can be done, let me ask again: What is the point of the legislation in the first place? What is the point of proposing this bill if its life does not go beyond that of this Parliament?

This legislation does not exclude from its coverage its restraints and its limitations, programs like the old age pension and family allowances. What happens under this bill if the government's forecasts about the amount required for the old age pension is wrong? What happens if more of the population becomes older and lives longer than forecasted, creating greater need for expenditures under the old age security system? Is the Conservative government saying in this bill that it will cut back on the old age pension, even if there are older Canadians who expect and need these payments?

Liberals are concerned about issues of government expenditures and deficits. I want to make this abundantly clear. However as I have said at the outset, this proposal, this bill before the House is really nothing more than cosmetic. It simply puts into legislative form what this government has been doing anyway and that is working to live within its own budgetary projections.

I want to point out to those Canadians concerned about government expenditures and government activities that this bill does nothing to address their concerns, the concerns of Canadians about this government's ways and excessive taxes. In short this government is proposing legislation to do what it already has the authority to do. The proposal is simply an attempt by the Conservative government to hoodwink Canadians into thinking they are a great bunch of guys and gals on the other side of the House. They are finally coming to grips with the negative effects of their own economic incompetence and mismanagement.

This government ignores Canadians. It ignores the businesses that have shut down and want more than cosmetic measures from this government. They want a government that is concerned with the good management of itself and this country's affairs, one that helps rather than harms their basic confidence. More than this bill, Canadians want an election to give themselves a new and better government.

• (1650)

I am sure all Canadians, and not just my colleagues in the House and I, are continually distressed with the measures and the actions this government is taking, especially this bill which is nothing more than an attempt to deceive Canadian taxpayers into thinking that the government is a good fiscal manager and that it is concerned about the economy and budgetary controls.

I am pleased to speak against this bill on behalf of the constituency of Nepean.

Mr. Tom Wappel (Scarborough West): Madam Speaker, thank you for giving me this opportunity to say a few words about Bill C–56 on behalf of the constituents of Scarborough West.

When I look at bills the very first thing I do is try to analyse what is going to affect the people of Scarborough West. I try to read the bill as objectively a way as I can and try to determine how to explain the contents and the decision making that went into putting forward a bill like Bill C–56.

I like to put myself in the position of the people in the coffee shop discussing this piece of legislation. When I do so—and I am trying to be fair—it conjures up an image to me. The image this entire bill conjures up is somebody in front of a low table on which there is a pea and the halves of three walnut shells. That person wants you to watch where the pea is, watch it be moved around

and then decide under what shell the pea should be. That is called the old shell game. Another name for it is the con game.

Why would that kind of an image be conjured up in my mind when I look at Bill C–56? Let's start with what it is supposed to do. It is called: "an act respecting the control of government expenditures". If we look inside we see that the very first section says:

> This Act may be cited as the *Spending Control Act*.

They are three very simple words that I think most Canadians would probably interpret in the following way. Spending means paying out money; control means controlling the amount of spending being done. I would think that most constituents of Scarborough West when looking at the spending control act would say: "My goodness, we have finally got an act that is going to get government spending under control and ensure that spending is done in a controlled fashion".

When the Minister of Finance was responding to recommendations of the Standing Committee on Finance in December 1991, he referred directly to one of the comments made in recommendation No. 1 of the finance committee, which was specifically that "all members were not in agreement that a spending control act was either necessary or desirable".

What did the Minister of Finance say to that criticism? What he said is very relevant, I feel, in discussing the methodology of Bill C–56. He said quite clearly: "The government and most of the witnesses appearing before the committee strongly feel that continuing to exert firm control over expenditures is essential to ensure that the deficit is reduced and that public debt as a percentage of the economy declines".

Here is the interesting portion: "The spending control act will provide assurance to Canadians that Parliament shares this view and will demand discipline from government". I stress those words: "will demand discipline from government".

When we look at this bill we ask: Does it in fact demand discipline from any particular government? We do not have to go very far before we begin to see what is really happening and where the shell game begins. We see the spending limits, and most Canadians will be happy to know that the spending limit for the 1991–92 fiscal year is a mere $97.2 billion. The following year it will be just $100.9 billion. The year after that it will be $104 billion. It is increasing each year. The year after that, 1994–95, it will be $107.4 billion. After that, it will be $111.25 billion. Constant increases. Do not forget, this is called the Spending Control Act. Yet, the spending is going up.

Section 3 addresses what will happen if we underspend. Presumably most Canadians are hoping that if this is the Spending Control Act spending will be controlled and that amount will not be met in the spending of the government.

The act provides that where the minister announces that it appears the spending limit for the preceding year will exceed the program spending for the preceding year the minister may allocate all or part of that excess to the particular year. The spending limit for the particular year shall be increased by the amount so allocated. We have to read that about 10 times before we can make any sense of it. We are moving the shells around and trying to figure out where the pea is.

What happens if spending is going to be increased and we go beyond the limit, because this spending control bill allows the government to spend beyond the limits it has set? It says, and I am sort of compressing it because the wording is unbelievable, the minister may propose program spending for the particular year that exceeds the spending limit for the particular year, if the minister allocates the excess to the two next following controlled fiscal years in such proportions as the minister shall determine.

The spending limit for the year 1992–93 happens to be $100.9 billion. Should the minister decide that expenses will be beyond $100.9 billion he will simply advise us that it is the case and the increase, whatever it may be, will be carried forward into the upcoming two years.

Where is the spending control the spending control act is talking about here? Is it doing anything more than moving the pea around underneath the shell on the table? The answer is no. The minister can do what I have just read anyway. One would presume that any responsible Minister of Finance would want to ensure that he gets the best value for every dollar spent. Naturally, if the minister can get the same services for less money, that is to his or her credit. I would hope that would be one of the things the Minister of Finance would be striving for.

Should it happen that the minister does come in under budget lo and behold we have a little extra money. Hopefully that would be used to pay down the debt or for whatever else we Canadians think the money should be used for.

If it should happen that the minister is wrong and he or she has to spend more money than was originally allocated the minister can take that into account in any future budget. The minister can already do what the so-called spending control act is putting into words.

What is the purpose? Why have another act? Why take up the time of the House of Commons? Why take up the time of committees to examine an act which is merely putting into words what the minister can already do, as any good finance minister should do, as any reasonable person in their own home does?

You have a certain amount of money. If you manage to buy the things you wish to buy and have a few dollars left over you can apply it to the Visa bill, put it into the bank, or do what you want with it. On the other hand, if you have made a miscalculation and end up spending a little bit more money, then you adjust for that the next month.

On a huge scale the Minister of Finance is doing what we in our homes do each and every month. We do not need a piece of legislation to tell us what we need to do. We need some common sense. Common sense is something that is very prevalent in the riding of Scarborough West. The constituents of Scarborough West ask, through me: "Why do we need a bill that already tells us what the minister can do?"

• (1700)

It is for cosmetic purposes, as our critic the hon. member for Windsor West has already said. We are just putting a little make-up on the government to make it look good. We are going into an election year. Things do not look very good for the government right now. It is going to try to put a happy face on disastrous policies. That happy face will say: "We're going to control spending". We do not have to go beyond the third section of the so-called spending control act to see that it is nothing. It is a shell game. If the government overspends, it will overspend. If it underspends it will do what it wants anyway.

For that reason the people of Scarborough West, using their common sense, know they cannot support this legislation.

The Acting Speaker (Mr. Paproski): The hon. member's time has expired. Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance.

* * *

BUSINESS OF THE HOUSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I believe that you will find unanimous consent for the following motion. I move:

That notwithstanding any Standing Order of this House;

1. On Thursday, February 20, 1992 the Speaker shall adjourn the House immediately after Oral Question Period; and that on Friday, February 21, 1992 the House shall adjourn immediately after Routine Proceedings.

2. That no later than 1.45 p.m. on Thursday, February 20, 1992, all questions necessary for the disposal of:

(A) the second reading stage of Bill C-53, an act to provide for the imposition of special economic measures

(B) the second reading stage of Bill C-41, an act respecting the energy efficiency of energy-using products and the use of alternative energy sources

(C) the second reading, Committee of the Whole, report and third reading stages of Bill C-57, an act to amend the Canada Pension Plan

shall be put forthwith and successively without further debate or amendment, provided that any division requested shall stand deferred until 6 p.m., Monday, February 24, 1992 and provided that, if the House shall have completed the said business before the said time, the sitting shall be suspended until 2 p.m.

3. That no later than 10.55 a.m. on Friday, February 21, 1992, all questions necessary for the disposal at second reading stage of Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, shall be put forthwith and completed without further debate or amendment, provided that any required divisions shall stand deferred until 6 p.m. Monday, February 24, 1992.

4. That Private Members' Business be cancelled on Thursday, February 20, 1992 and Friday 21, 1992 and that all the items be permitted to retain their position on the order of precedence.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, on behalf of the Official Opposition, we agree.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, discussions have occurred and it has received unanimous consent.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

FARM PRODUCTS MARKETING AGENCIES ACT

MEASURE TO AMEND

Hon. Charles Mayer (for the Minister of Agriculture) moved that Bill C-54, an act to amend the Farm Products Marketing Agencies Act and other acts in consequence thereof, be read the second time and referred to Legislative Committee D.

He said: Mr. Speaker, Bill C-54 before us amends the Farm Products Marketing Agencies Act and other acts in consequence thereof.

We all know that we face difficulties in the agricultural industry on many fronts but we do have a pretty efficient and a well-recognized industry, not only at home but internationally. We feed ourselves with a smaller percentage of disposable income than any country in the world. We produce in surplus for export markets and when we do sell into those markets our reputation is very good.

When we look around at what is likely to be the situation in the future, we find we will have to be more and more adaptable as time goes on. We think, and a lot of producers and producer organizations agree, that one of the ways to best accomplish this is to have the wherewithal, where it is possible, and to some extent the decision making for how we adapt, in the hands of the producers that are involved.

The government said in the throne speech:

> We guarantee our future not by running from global competition, but by meeting it head on by equipping ourselves to compete with the best.

In many ways that is what this bill is designed to do. It is enabling legislation. It is designed to provide the opportunity for producers to put in place what has come to be known as a check off, to use the money for research and promotion, for things like the advertising that we see on a regular basis. The Beef Information Centre in Toronto that advertises beef is an example. The money will be used for consumer education, domestic and foreign marketing efforts, as well as research into production of a product, processing of a product, distribution, and marketing.

There are many examples of why we should do that. Essentially we are taking what has come to be known as the Farm Products Marketing Act and changing its name because it will have a broader scope. The new title will be the Farm Products Agencies Act. The bill changes the name from the Farm Products Marketing Council to simply the Farm Products Council. At the same time we will be putting a new section 3 in the bill that will provide for the establishment of levies or check-offs so that they can be set up nationally, as I said, for promotion and research into various products.

There is pretty wide support for this, Mr. Speaker. The Canadian Cattlemen's Association, the Canadian Horticultural Council, the Canadian Pork Council, the Canadian Fruit Wholesalers Association, the Fresh for Flavour Foundation, the Western Grain Research Foundation, the Canadian Honey Council, and the Canadian Nursery Trade Association all support this. All of these groups have expressed interest in a national check-off system.

These groups have indicated that they would spend a portion of the funds on primary production research projects. This type of national check-off is consistent with pillars in the agrifood strategy that came out in the paper two years ago called "Growing Together", one of them asking the industry to be more self-reliant and more market oriented.

In saying that, I want to emphasize that this in no way indicates the government has any intention of backing away from support for the industry, either in some of the things we have been doing directly or in the kind of money that has been spent in the past on research. I want to knock that one in the head as quickly as I can. Anybody who wants to look at this as a signal that the

government is intending to back away and use this legislation as a way of doing so, that is simply not the case at all. Quite the contrary. What you will find is if you can raise some producer money yourself, either from the private side or governments or a combination thereof, you can use it, as it has come to be known, to lever additional money.

• (1710)

I would also suggest that if you are a barley producer and have the ability to raise funds for research and advertising and do it at a very basic level, and you want to get involved with a check-off, to spend a little bit of money on each tonne or each bushel that is marketed in this type of a way, you are going to have a pretty good feel for what in fact this money should be spent on.

On that basis I would suggest that you are going to get pretty good use of the money as opposed to collecting and running it through various sets of committees and bureaucracy, not to mention the fact that they all cost money to run. You will have less diffusion of objectives coming from the producer if it is done by a system of raising money directly from producers themselves.

Some of the activities that could be supported by check-offs include market research, new product development, consumer education, advertising, and promotion. There are examples of that already in place. The Canadian Cattlemen's Association, as I mentioned, has for a number of years through their provincial associations, sponsored and run the Beef Information Centre out of Toronto. We see those ads on a reasonably regular basis on television. That is the kind of thing that would be envisioned. The Canadian Horticultural Council and the Canadian Produce Marketing Association through the Fresh for Flavour Foundation promote fresh fruits and vegetables but they find, I am told, that funding is not always adequate.

The Americans have a check-off in place for their cattle industry. Some of us have followed this. They have had, I think, two national referendums to get one in place. It has been established now for a number of years and their estimate is that for every dollar they spend on advertising they get a $4 return. It is not to say that is always the case but there is pretty good evidence that the money spent in this way is useful in promoting what we have in this country, which is some very healthy and wholesome food.

I believe that we have, for several reasons, some of the best conditions for growing wholesome food that is very pure. We find this all the time in our grain markets, for instance, where our customers recognize Canada as one of the prime areas in the world for producing food in a very wholesome way.

Just as an example, I had a chance in the last couple of years to talk to people from Europe who had visited the Peace River country and found that in some cases they could not believe what they were seeing, an area very rich in soil, in climatic conditions and in environment, which had not been farmed very long and therefore not had a chance to be polluted by pesticides or chemicals. Because of that they thought there was an opportunity to market products out of that area in an environmental way simply because of the purity of the environment the food is produced in. But to do that we have to get our message out and this is the type of legislation that could be used.

As I said, it is enabling legislation. It can provide for either a mandatory check-off or what would be a mandatory check-off with the ability to have money refunded. It will be run and looked after by the National Farm Products Council, as it will be known when this legislation is passed.

In summary, this is legislation that has been asked for by farmers themselves. It is, as I said, enabling legislation. There is nothing compulsory about it. Producers would be able to organize themselves and ask the government through the National Farm Products Council to put this type of legislation in place. They would, at the same time, need the concurrence of their various provinces.

There is evidence from what we have been doing up to now that this kind of check-off system works. There is evidence internationally that it works as well. There are new products that are available now to satisfy consumers' needs. Food is no longer simply a means of sustenance. It has become in many cases a way of life that involves many other things than just the product itself. By providing producers with an opportunity to become directly involved in spending some of their own money to support themselves in some of these areas is very useful

and I look forward to the support of the House in this matter.

In conclusion I want to move an amendment, pursuant to Standing Order 73(3). I move:

> That the motion for second reading of Bill C-54 be amended by having the bill referred to the Standing Committee on Agriculture rather than the Legislative Committee.

Mr. Foster: The minister is simply moving that the legislation be referred to the Standing Committee on Agriculture rather than to a legislative committee. We have no objection to that on our side.

Mr. Althouse: Yes, this has been discussed in the Standing Committee on Agriculture and we are expecting the bill. We have no objection to it going there, Mr. Speaker.

Motion agreed to.

Mr. Taylor: On a point of order, Mr. Speaker, I am wondering if there are questions and comments on the minister's statement.

The Acting Speaker (Mr. Paproski): Not for the first two speakers. There will be when you get up.

Mr. Maurice Foster (Algoma): Mr. Speaker, we would have been glad to hear from the hon. member but I guess if the rules are being strictly enforced we will have to accept your direction in that regard.

Bill C-54 provides amendments to the Farm Products Marketing Agencies Act and essentially changes this act by adding a new section to it which provides legislative authority to have check-offs for agencies established by the government, by an Order in Council, for national check-offs. These check-offs involve interprovincial groups, as well as check-offs for crops being marketed from the international realm into the Canadian marketplace. It is legislation that is very similar to some legislation now in place at the provincial level which establishes agencies, that are very different from the agencies provided for National Farm Products Marketing Agencies.

The bill changes the other legislation to remove the word "marketing" and puts in "National Farm Products Agencies Act". It is legislation that a number of organizations, including the beef producers, honey organizations, and the Horticultural Council of Canada, have supported.

• (1720)

It has one very special feature to it and that is that these check-offs would not only apply to producers within Canada but to products coming into Canada. In some commodities where we do not import it would not be a very big feature.

For commodities such as fruits and vegetables which we do not produce in this country, perishable fruits in the wintertime, and so on, it would make provisions for a check-off. Those check-offs could be used for promotion of that product or they could be used for research.

I think the number of agencies asking for this indicates that they want it.

In sending this legislation to the standing committee we have to be sure of a number of things.

One is that the government is not planning to off-load their responsibility for research in this country onto the producers of the commodity, whether it is the beef producers, horticulture crop producers or whatever. The federal government historically has had a national responsibility for basic research, for fundamental research, for research that is transmitted and made available to producers.

Clearly, in the discussions which will take place in the standing committee, we will want to have those kinds of assurances. Perhaps they could be written into the legislation or perhaps there is some other mechanism to ensure that those safeguards are there.

We do not want this government which has drastically reduced the amount of support for research, I believe some $40 million between 1989 and 1990, to shirk its duty in that responsibility. We do not want it to off-load it on to the producers or the provinces, as it did with some of the safety net legislation. They have a responsibility to carry out that research.

The promotion itself is something that is up to producers. Clearly, there have to be mechanisms in the legislation to make sure that the majority of producers want this and that there are adequate safeguards to ensure that there is a referendum in the provinces that produce the commodity, or on a national basis to ensure that

whatever is being done a majority and a good solid majority of the producers support that promotion.

It is my understanding that this legislation can be used by the existing supply management groups if they want to have check-offs. I believe they now have mechanisms where certain types of check-offs or funds come out of their national organization for promotion but I do not think it is used for research very often. So that adds another provision for those groups.

A number of organizations have indicated their support for this legislation, I understand the Canadian Cattlemen's Association, the Canadian Pork Council, the Canadian Horticultural Council, the Canadian Fruit Wholesalers Association, the Fresh for Flavour Foundation, the Western Grains Research Foundation, the Canadian Honey Council and the Canadian Nursery Trade Association. Clearly, there are those groups that support the legislation.

As I understand the legislation, there would be provision in it for co-operation between provincial and national organizations running check-offs.

It is interesting that a number of these organizations that are supporting this legislation really have been very reluctant ever to become involved in a national farm products marketing agencies act under the existing legislation which provides for supply management and cost of production and all the rest of it.

This bill before the House today needs to go to the standing committee to make sure that there are safeguards with regard to how it will be used.

Clearly, some groups like the National Farmers Union have expressed concern that they want to be able to appear before the standing committee.

They see it as a regressive tax on farm production because the majority of those producers of a commodity would be able to vote and have a levy which could be used for promoting that product nationally or internationally.

They are concerned that the government will off-load its research responsibility.

Those are legitimate concerns which need to be aired and examined.

The Canadian Pork Council is concerned that the check-off system would result in a costly additional bureaucracy and institutional arrangements.

It seems to me that those are the kinds of concerns that need to be explored and analyzed. We need to see if there are amendments that can be made to the legislation to ensure that those kinds of problems do not exist with this check-off legislation.

Clearly we would want to see that this legislation would be supported by the majority of producers. We should examine whether there is some way that the vast majority of the producers would support the legislation. The check-off could be very arbitrary and harmful to low income producers or smaller producers. I think we need to look at that aspect in the committee when it is being examined.

It is my understanding that this legislation can be used for the supply management sectors. They do have some provision, of course, for this kind of promotion under existing legislation but here they would be able to impose levies which could be used for the research project.

Those are a number of concerns that we have about Bill C-54.

It is my understanding that this legislation can be implemented on a basis in which it would be mandatory or could be refundable. That is another aspect that has to be clearly identified. There are voluntary check-offs now for beef producers and on some other commodities. We would like to know just how the legislation would operate in that regard.

Those are a number of the factors which we think need to be considered when we look at this legislation in the standing committee.

I want to say a word or two about the original legislation, the act that we are amending here today, the Farm Products Marketing Agencies Act.

That legislation was set up in 1971 by the Parliament of Canada. A number of national farm products marketing agencies have been established: the Canadian Egg Marketing Agency, the Canadian Turkey Marketing Agency, the Canadian Chicken Marketing Agency, and the Canadian Broiler Hatching Egg Marketing Agency.

At the present time, there has been a report and an examination. I understand that there will be a vote next

spring on the support that exists across the country for establishing a national apple marketing agency.

• (1730)

The reason I raise this is because that legislation was established some 20 years ago. It is really companion legislation to what was done under the Canadian Dairy Commission. It is under attack in the report that was issued by Arthur Dunkel, the secretary general of GATT in mid-December of last year.

That legislation has brought order out of chaos in several pieces of legislation in many farm sectors where farmers are able to produce and market a commodity and have some idea what the price will be.

It really was revolutionary legislation because in our country and in most of the western world the farmers' bargaining power is very little. In most commodities there are large international trading corporations which practically control the price of the commodities.

The National Farm Products Marketing Agencies Act, which was brought in in the early 1970s, gave producers the power to bargain in the marketplace with those large powerful retailing agencies, the international commodity companies.

Out of that has grown a very vibrant, progressive, effective farm supply management system where our poultry, egg, and dairy products are marketed on the basis of the cost of production, the average cost of production of the most efficient two-thirds.

It is amazing, as we look around the world, how much more efficient those producers have become. I do not have the exact figures in my head but the ones I remember are that Canadian dairy producers have become, during that 20-year period, about 70 per cent more efficient. For American producers it is about 42 per cent and for Great Britain it is around 25 per cent. We have a healthy, vibrant, rural agriculture.

There was great concern expressed during the free trade debate back in 1987-88 as to whether those supply management marketing agencies could survive the free trade agreement. Clearly they are very much under the gun today because of that.

I recall one meeting we had in Fredericton, N.B., where various groups, the local co-operative, the dairy farmers, the poultry producers, the egg producers came before our committee and said: "If you want to see what the market economy can do for agriculture in New Brunswick, just go across the border in Maine where you will find practically no agriculture".

Most of their poultry and egg commodities are being produced in Georgia and Alabama and in southern states where there are no energy costs. Most of their milk is being produced in New Jersey or farther south.

We have in Atlantic Canada, in Quebec, in Ontario, and in parts of Manitoba and British Columbia a very vibrant, healthy, rural economy. It is something we have put in place. It is unique in the world. We produce the commodities that we need. We do not flood the international market. We continue to provide for the amount of access that historically has been the case from other countries such as the United States for poultry, turkey, eggs, or whatever was in place.

This system has meant prosperity, a continuous supply of farm commodities to the consumers at reasonable prices. Historically it has not increased any more than the Consumer Price Index and has increased at a price lower than those for commodities not produced under supply management. This is a legacy the Parliament of Canada has put in place under the legislation we propose to amend today.

There have been two very serious challenges to the whole system of marketing by the free trade agreement. When the government negotiated the free trade agreement it did not get any import controls for dairy commodities. The United States had an historical protection called a waiver which it got from the GATT negotiations back in 1954. It gave it complete control of imports.

As Minister of Agriculture John Wise stood in the House and said that the free trade deal did not threaten the supply management marketing boards of this country. I do not know whether he did not know or whether he did not want to face the reality of it, but clearly the FTA did so. There was no provision in there for import controls for processed dairy products like yogurt and ice-cream or any of the other processed dairy products. The historical arrangement under article XI of GATT provided for fresh farm produce but certainly did not provide for processed dairy products.

Mr. Wise made the pronouncement in January 1988 that there would be no problem for our dairy and poultry industries; he would simply put these dairy products on the import control list. He was immediately challenged by Senator Lloyd Benson from Texas who said there was no provision in the free trade agreement to regulate import controls and if the government did it the United States government would immediately challenge it.

About 11 months later the government put ice-cream, yogurt and a number of cheeses, butters, powders and so on on the import control list as of January 1, 1989. Immediately the United States challenged it and a GATT panel was struck. Nine months later, in September 1989, lo and behold the member of the senate finance committee of the United States was right that there were no import controls under the FTA and the decision of the government to place ice-cream and yogurt on the import control list was struck down by a GATT panel. Three months later, in early December 1989, the government agreed to the decision of the GATT panel.

That was when we got into the GATT provisions and that is why when the government went to the GATT it asked for not just the maintenance of article XI but the strengthening and clarification of article XI. The strengthening was to make it apply not only to fresh raw farm commodities like milk, chicken, and eggs but to any commodity that contained more than 51 per cent of that fresh raw farm commodity. That is where we are today. The government has been at the GATT table since 1986, the Uruguay round which could well have been the Vancouver round. The Prime Minister was determined that the meeting had to be in Montreal in 1986 so the decision was that it would be the Uruguay round because he would not support the Vancouver round approach.

• (1740)

During the last five years we have to look at what progress the government has made in pursuing its position to strengthen and clarify article XI of the GATT. The government should get busy in the next eight weeks and persuade the United States Congress and President Bush to accept our position. Let us be frank about this: very few countries oppose our position. Perhaps Holland and Britain, but most European countries are not very upset with the strengthening and clarifying of article XI. Most of the Cairns group apart from perhaps New Zealand is opposed to our position.

The government says in the House that 102 countries are opposing our position. That is probably not right. Probably a few oppose it, but our main problem is with the United States that wants access to our dairy and poultry products market in Canada because its industry, especially the dairy industry, is in total disarray. Literally thousands of dairy producers go broke daily or weekly or monthly because they have a system that simply does not provide them with an adequate return.

The final eight weeks of the GATT negotiations are critical. In my view there is one window where the Prime Minister should get busy and persuade the European countries to support his position. Most of all he should persuade George Bush to support his position. If that happens we will continue to have a supply management system.

What happens if the GATT negotiations break down totally? We go back to what is left from the FTA which is a disaster because the Americans already have access to our ice-cream and yogurt market. One more reference by the United States to a GATT panel for butter, cheese and powder, the major dairy commodities, would probably render the same solution. That would be extremely disastrous for our supply management system. Once a precedent were set for dairy products it would probably apply to poultry products and eggs as well.

The second alternative is if the government at the end of the day agrees to the tariffication system or there is agreement and the tariffication system becomes the order of the day. There are so many unknowns in that regard, but clearly none of the supply management groups believe the tariffication system will allow for the long-term operation of the supply management system.

We have increased access. We have the violent fluctuations of 100 per cent and 200 per cent in the value of commodities, and the value of commodities we would be referenced to would be United States commodities. In no time the tremendous capacity of United States producers to flood our market and put producers out of business would be evident.

We have an excellent system. The legislation that provides for this system is the Farm Products Marketing Agencies Act and the Canadian Dairy Commission which operates in a very similar kind of way. We are going to see 25,000 people on the Hill on Friday of this week, and they are not just farmers. They are the rural suppliers, people from the co-ops, people from the fuel

companies, farm equipment suppliers, all kinds of groups.

Yesterday a representative from the Chamber of Commerce—I think he was in the Fraser Valley—stood up and told the Prime Minister: "This is not just an issue for the dairy and poultry industries of Fraser Valley. It is for our entire community".

These are the people who keep the economy of rural Canada going. You take them away and get less successful, or less prosperous industries. Their buying power, their impact on the community is lower. They gave the figure that for every $1 million worth of supply management commodity that is marketed in this country, some 14 jobs are created. There are 38,000 supply management producers, farmers, and farming businesses across this country. They employ some 22,000 people directly.

If you go into the processing industry, the processors of milk, the processors of dairy commodities, novelties, ice cream, yogurt, and all these products, or if you go into the poultry sector, the processing of those, you are talking about over 95,000 jobs in this country. These are not jobs that are all in downtown Toronto. These are jobs that are spread out through rural Canada, through Ontario, Manitoba, certainly in the prairies as well, in B.C., and the maritimes. This is an important sector of our economy. It would be impossible to exaggerate the impact that the Dunkel report would have on rural Canada. It really deals with the food security of our country.

The time will come, in my view, when most of the countries of the world, like the United States, will have vast vertically integrated food production systems. There are producers of eggs for instance in the United States who produce as many eggs as our whole production in Canada. They are usually located in the southern states where they do not have high energy costs and they have very low labour costs.

We do not want that system. We want a system that meets our needs and creates jobs, where we have a better environmental arrangement. When we go into factory operations we have all kinds of environmental and health problems. We want to maintain that kind of system.

The basic legislation which we are amending today to provide for check-offs and for research is that basic legislation which has provided that very secure, stable, progressive, and efficient production of agricultural commodities. It is a pity that all sectors could not have it. We simply cannot operate on that basis with major export commodities because you have to operate at a world price. Even at that we do have orderly marketing for wheat and barley by having the Canadian Wheat Board and similar kinds of marketing agencies for wheat and commodities in eastern Canada.

• (1750)

The genius of the National Farm Products Marketing Act which we are amending in this legislation today to provide a whole new section has been that it provides a very stable, secure system for food production in this country. This system can become more efficient and provide employment, food security, a vibrant rural life in Canada.

We have seen a devastation of our manufacturing sector in this past two or three years. In my constituency there have been literally thousands of jobs lost in the manufacturing sector. We certainly do not want to see that happen as a result of our downgrading the supply management system for dairy and poultry farmers.

If the Dunkel report was adopted, as has been proposed, every one of those sectors claim they would not survive the six years. In the case of poultry, they talked about going from 2,400 poultry producers to some 32 massive, vertically integrated production units, probably located in central Canada with the western part of our country and the vast rural areas of Atlantic Canada completely shut out.

The motion that was put by my party last week when we had the special debate on the GATT negotiations and on supply management called on the Prime Minister to personally get involved in those negotiations. We do not believe that the negotiators, regardless of how good they are, and I believe that they are capable people, have had much success. They have been there for five years in the Uruguay round in Geneva.

When the Dunkel report came out it did not mention the strengthening and clarifying of our supply management, article XI. Therefore, it is up to the Prime Minister to use the power and prestige of his office, as the motion that was unanimously adopted by this House asks, and that the Prime Minister become personally involved, that he garner the support of the other countries that favour our position: Japan, Israel, Norway, Switzerland, and Korea. I believe he should be getting a joint declaration.

There was a declaration by the negotiators which they took to Mr. Dunkel, Secretary-General of GATT, back in mid-December. That motion by those negotiators does not have the same prestige it would have had if the Prime Minister sat down with the Prime Minister of Japan and Israel and the other countries involved and they issued a joint declaration.

We are a major trading country. Japan is a major trading country. Korea is becoming an important trading country. Israel has a lot of influence in the world.

"This is our bottom line. This is what we want. We do not expect to be able to flood the world with cheap surplus food. We are net importers of these commodities. We are willing to provide an increased access of 3 or 5 per cent", I believe was the government's negotiating position. We are willing to reduce any subsidies. There is very little subsidy involved anyway. But this was the position put forward but we want to have a strengthened and clarified article XI.

If the Prime Minister would take that action and then arrange to meet jointly, as a motion of the House calls on him to do, supported by the prime ministers of these other countries who are just as adamant as we are, saying that this is our position, this is what we want to achieve out of the GATT round because the GATT round does make some changes with regard to export subsidies, for instance to the United States Export Enhancement Program, the European subsidies and so on, which will be beneficial to the grain and oilseeds sector.

If we sat down with the leadership of Europe, with the President of the United States and said: "This is what we have to have in order to maintain rural Canada, the family farm, the basis, the most secure and stable sector of our agriculture," I believe that we could be successful. I see that as a very narrow window to have a strengthened and clarified article XI.

If we go back to what has been left over, the ice cream and yogurt decision from the free trade deal, that is very, very dangerous. The U.S. could move in easily on us. The tariffication proposal also is unacceptable for maintaining these marketing boards which were established under the original Farm Products Marketing Agencies Act.

We want to see the amendments go to committee for consideration, discussion, and examination of the concerns that have been expressed by some producers, although a great many of the agencies have expressed their support. I hope that the Prime Minister and the government will act now because the time is late for maintaining those agencies which are provided for under this original legislation. It would be impossible to exaggerate the importance to rural Canada of maintaining those agencies, those producers, those jobs and that processing industry. It is very important to Canada.

The Acting Speaker (Mr. Paproski): Under Standing Order 74, the hon. member now has 20 minutes plus 10 minutes questions and comments.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I realize that my remarks have to be limited.

The bill that we have before us, C-54, is a proposal to amend the Farm Products Marketing Agencies Act and other acts of consequence thereof. We will also be amending the Customs and Tariffs Act, the Access to Information Act, the Privacy Act and the Public Service Staff Relations Act.

The legislation that we are amending has been around almost 20 years and was an attempt, and I think a fair attempt, at providing farmers with the marketing tools they need to become self-reliant and market oriented individuals in a world market.

I am not particularly happy with the amendments that are being proposed today. What we have is equivalent to offering a student a pencil, with these amendments when we know computers are available. That is essentially what the government is doing with this bill. It is understandable knowing where the government came from.

Members of the government opposed the implementation of this act 20 years ago. They fought it as long and as hard as they could and you will remember, Mr. Speaker, that in those days it was possible for private members to hold up bills for a long, long time. You could speak forever instead of being limited to 20 minutes, as I am now. You could continue the debate *ad nauseam*. As long as any member wanted to make a speech it could be

made. Now this debate can be limited to two days and it then goes off to committee. In other words, in the old democratic House, this legislation had a terrible time getting through.

• (1800)

As a result of democracy having more sway or full sway relative to today's circumstances, the opponents to the government's proposal were able to make considerable changes. We have quite a few pages in the existing National Farm Products Marketing Agencies Act which are due to interventions on behalf of the Cattlemen's Association by the Conservative Party of Canada.

Essentially the upshot of it was that the national products marketing legislation that we have is very limiting. It is so limiting that same Cattlemen's Association has had to come to the government to get it to make amendments to the act so that it can do a few minor things it would like to do, namely raise funds for promotion of products and for some research.

I point out that those marketing agencies and marketing boards that have been established under the act have both of those rights within the existing act. They can in fact raise levies for marketing and during the course of that marketing they can do promotion and market research. I understand some of what is being proposed in this act would extend the terminology, the definition of research, beyond that used for market research to actual production research.

This act has functioned in Canadian Confederation because there are similar acts in each of the provinces which permit the establishment of marketing agencies or marketing boards within each province. This particular marketing agencies act permitted those agencies to come together under a federal umbrella and act for all of the producers of that particular commodity across all of Canada.

The government is proposing here today to set up a companion section in the act which would permit the establishment under very similar terms of agencies whose job would be simply to take funds from producers by way of a check-off and to permit the producer group to administer those funds for what they call promotion of the product. I think that is a rather inefficient way to do it.

I hear of trips by the cattlemen's commission in Alberta, for instance, which has done this on a provincial basis overseas. I hear of some of the other commodity groups making similar trips. They are very good junkets for the board of directors and perhaps some of the management people who have been hired by the agencies, but they do not really do a very effective job of promoting the Canadian product.

Put yourself in the position of a would-be-buyer. You are approached by a bunch of Canadian beef producers who give you a very good spiel on the benefits of Canadian beef. It is clean. It is raised in a proper environment, free of all sorts of agents that might exist from more industrialized countries. You are all set to buy and when you tell them so, they say: "Well, gee, we do not have any beef. We do not really get into that business. We produce it and we promote it, but golly, we cannot give you any because we are not in that part of the business. You will have to deal with one of our packing plants".

They will say: "When we get home to Canada, we will tell this packing plant that you are interested in Canadian beef". They will report to their farmers and their ranchers that they have done a great job of having promoted Canadian beef in another foreign country, but no sales have been made and nothing has been completed. Those agencies that are established as marketing boards, however, do have the option and the opportunity to complete the sale. When one of the pork boards or combined force of the pork boards goes overseas to talk about the benefits of Canadian pork they can complete the sale and have it within their power and their ability to deliver a product to the people with whom they have created an interest.

In terms of straight efficiency and furtherance of a market oriented approach, the government has missed the boat quite badly with the kind of amendments it has put here by forcing a second tier in this particular legislation. If it had wanted to be helpful to producers, it would have taken away the prohibition on the establishment of such marketing agencies as exists now for poultry, eggs, turkeys, and hatching eggs, by lifting the requirement that when a producer group forms marketing agencies across the country in each of the provinces it has to work very hard to get itself together, put a plan together, then picket or lobby the House of Commons

and the government to force the government to open up the National Products Marketing Agencies Act in order to include its particular product.

Apple producers are in that position now. Seven or eight years ago we had the tobacco people in here. Unfortunately, the tobacco people had expended so much time, money and effort just getting their little one word amendment to the act that they had no more energy or money to pursue the process after they succeeded in getting what they wanted.

There are some problems with only going as far as the government is proposing to go with these promotion agencies. As I said in the beginning, it is like offering people a pencil when you know there are computers. It is not very a high-tech solution to providing farmers with the necessary tools they need to do a good job of marketing and promotion. But this is all the government proposes to offer.

There are some questions as to what the effect will be, given this limited offer that has been proposed. The Minister for Grains and Oilseeds opened the debate for the government. He said: "For instance, barley producers could use this legislation if they want to promote barley". The minister and I had a little discussion after and he admits that is not really quite true right across the country. That might apply to parts of Ontario that lie east of Thunder Bay and, perhaps, Quebec and Atlantic Canada, but it does not apply in the Wheat Board area which is from Thunder Bay west.

Those producers of wheat and barley fall under the Canadian Wheat Board Act and the proposals we have before us explicitly take them out of the authority of this particular act. If they want to provide for such check-offs, they would have to apply under the Canadian Wheat Board Act. In fact, the Canadian Wheat Board does an excellent job of market promotion and research and funds them from the moneys it has available as the sole marketer of Canadian wheat and barley for export.

Likewise, those people who are in the pork business have the ability to raise funds for market promotion and research under the various provincial marketing boards that now exist. That is not a restraint on the abilities of that particular commodity group to function.

With the proposal we have here perhaps we will see the pork council succeed in convincing the minister who is really the only one who needs to be convinced in these matters. With the approval of the marketing council, they should be able to institute a national check-off over and above the check-off that the provincial pork marketing boards have at that time. These check-offs would either be mandatory or voluntary, at the choice of the initiating group. If it is decided to be mandatory then all producers who sell or import that particular commodity would be subject to the levy. In order to catch the imports, the Customs Act is being opened up. The agency that is struck for promotion would have the ability to go to the customs officials and ask for documentation to see whether the voluntary reporting by an importer complies and fits with the actual amount of the affected good that was imported.

• (1810)

The whole inclusion of imported product also raises some questions. If we are going to be extolling the virtues for instance of Canadian beef, and we are doing so, can we in fact do that honestly if we are also including the beef that is imported and collecting a levy from it? We do not identify that now. If it goes through a Canadian processor, it wears a Canadian grade and is viewed by consumers as being Canadian beef whether it originated here or not.

If we talk about Canadian beef, will that be GATTable or will we have to describe it as generic beef? I know that producers are going to be putting up most of the money for this, but there was some mention in the minister's speech about matching funds, which raises the whole question of where those other funds will come from. I presume that some of it could come from a provincial or the federal government, in which case it would be GATTable.

The whole question of the effectiveness of beef producers raising money to promote beef, while poultry producers raise money to promote poultry, while hog producers raise money to promote pork, and the turkey producers are doing the same thing, raises in my mind

the whole question of how effective is all this advertising in promoting an increase in the size of the stomachs of Canadian consumers.

It seems to me that the chief beneficiaries of a lot of these programs are advertising agencies and the various media that carries the message.

Those are some questions that we have to try to find answers for in committee. Another unanswered area of questioning is the whole area of the use of these funds for research.

The minister made it quite clear that he was not talking just about market research, that he was talking about production research as well. While there may be pet projects that producers might be happy to be financing, generally speaking, the publicly sponsored research in this country has done a terrific job for consumers. The kind of research that has been put forward by both provincial and federal governments has tended to reduce consumer costs at a much higher rate than the cost to the consumer through their taxpaying pocket. In other words, it has been a very good deal for consumers because the benefits they get from each research dollar far exceeds the cost of that dollar.

Production research virtually always ends up in showing producers new ways to produce more.

I have made many speeches in this House discussing the problem "producing more" causes in food production. It is very natural for producers to want to produce the very most they can, to achieve the highest yield and the fastest growth rates. However, achieving that forces the price down because market economies do not treat food as anything particularly special, they simply look at what the farmers produce as a surplus. The value of all the products then goes down to the surplus value, which is usually very low.

To be using, even more directly, financing the assurance that we are going to have lower prices is not a prospect that most farmers look to with obvious glee. I think there will be some people we may get an opportunity to hear when we take this to committee who will have done some more research on that. They could perhaps give some advice to the committee and to the government.

The range of this legislation might be restricted to market research because the original intent of this legislation was to aid and assist with marketing so that farmers could connect themselves more directly to consumers through marketing.

It provides the necessary tools to set up agencies like marketing boards. It could provide the product, get it efficiently and quickly to market, and make certain that it was processed in a way the consumer could utilize it. It could also provide the agencies with enough flexibility to do market promotion and basic research on new markets.

That establishes the product outside the current countries in which we now market the product. Marketing boards can be an excellent method of market development. My main regret about opening up this legislation is that the government did not open it up in a way that would allow all commodities to have fairly ready access to it as a marketing tool.

The extension of the new sections being proposed to put forward promotion and research agencies needs a lot more study. I am quite dubious about the overall effect of this. It may be quite justifiably viewed by a lot of producers as something about as efficient as another GST because it will be a tax on their production.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I listened quite closely to the New Democratic member from Saskatchewan. I would like to ask him a question.

I would like to know if there are consumers on the National Farm Marketing Council and if he feels they are an effective voice? The increase in income to the primary producers has been very modest and stable over the years while retail prices have increased dramatically. Would the member not agree that consumers should be on the boards of directors of the major food chains?

Mr. Althouse: Mr. Speaker, I am not aware of any impediment to consumers being on the National Farm Products Marketing Council.

One or two are named to that council. It is the prerogative of the government in power at any particular time. One of the functions of that council is to ensure that the consumer interest is protected along with the farmer interest. Both sides have to be represented on the council.

The hon. member asked whether I thought it would be a good idea to have consumers represented on the boards of directors of the chain stores. I would say certainly, but that is not something we have any power over in this Parliament. That is something determined by the rules and regulations of each corporation. I would think that as we move into the 1990s more corporations would structure their boards so that specific consumer representatives will show up on their boards of directors.

• (1820)

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I would like to thank the member for Mackenzie for a very fine speech. In his usual inimitable way he has done a good job of analysing the situation and the question before us.

I am rather intrigued by the differentiation between production research and marketing research. It is certainly an aspect of the whole field that had not occurred to me before. He emphasized marketing research for the obvious reason that production research could almost be self-destructive. I am probably expressing his opinion a little too strongly.

The marketing research side conjures up very intriguing and, what one would hope would be, original television commercials as we have seen in the marketing of dairy products, particularly those wonderful ads we see of the asparagus and the butter and so on. I am looking forward to the marketing research people producing innovative commercials.

I would like to ask the member if he could comment on possible conflicts between what is GATTable and what is not GATTable. It sounds like he might get into some sort of biblical genealogy but I am sure it is not.

Mr. Althouse: Mr. Speaker, we only run into the problem of GATTable promotion assistance when we get into the question of sharing the cost to which the minister alluded in his speech.

He mentioned that having promotion funds available to a group made it much easier for them to find matching grants and matching funds. Under the proposed GATT rules those matching funds and matching grants will be more acceptable if industry was helping to finance them rather than the government.

There could be some difficulties which would cause governments to place more of the load for promotion and market development on producers. There is hesitance among a lot of farmers and producers to get into this type of self-taxation because as soon as we have the ability to raise funds to do various things we have a fairly high suspicion that government will let us and get out. This would end up being a further tax on ourselves benefiting all Canadians, particularly in the area of production research. The benefits fall almost entirely on consumers in Canada rather than on the farm producers.

Therefore it is a much more justifiable expenditure for the Government of Canada, on behalf of those consumers, to have paid for the initial basic research to begin with.

Mr. Maurice Foster (Algoma): Mr. Speaker, I was interested in the comments by the hon. member for Mackenzie because he is a very active member of the agriculture committee and this bill obviously opens up a number of avenues of concern.

There are a number of areas which we have to be concerned about. One is that the government is essentially putting in place a mechanism to off-load its research projects onto the producers of farm commodities.

The other is what provisions or safeguards will there be for the small producer who really is not in the mainstream but maybe has a small plot or a small operation and has a very local market. So that is a matter of concern.

It seems to me that we are going through much hardship in many sectors of agriculture. I cannot remember in the 22 or 23 years I have been a member here that we have gone through such anguish as we have in the last six months.

Clearly, with the dramatic downturn in farm incomes in 1990-91 and now the tremendous uncertainty with the supply managed sector and the outcome of the GATT negotiations we really have to have better mechanisms of informing and advising people of the overall benefit of agriculture in terms of jobs, rural economy, food supply, and long-term benefits to the country.

Perhaps that is one sector on which agricultural producer need to be working in unison across the whole spectrum of agriculture. Producers perhaps should work with governments as well to try to communicate to urban Canada which represents probably 96 per cent of the population even though I believe that the 4 per cent who

per cent who are directly involved in agriculture their influence involves maybe 10 times less.

Remember there needs to be a better means of communication whether it is through a check-off or whether it is through marketing agencies or government to communicate the rural message to Canadians generally.

Mr. Althouse: Mr. Speaker, I think if governments were really interested in having a better voice coming from the rural community, something that would be a fairly unified voice, a long time ago they would have provided for an ability to permit farmers right across the country to organize along the lines that the Quebec farmers were permitted to do.

There they simply permitted farmers to comply with the Rand formula. As soon as 50 per cent plus one of the population who were farming signed up to become members of the over-all organization, they could then automatically pay dues for all of the others. It would make life much easier for governments and for urban Canada to hear the true voice of farming.

Because we have failed to do that and government is not anxious to hear one single voice for farmers, we will continue to hear a wide variety of voices and opinions. Governments live very well with this system.

If they get advice they do not like from one major group they can always go out and create another group with three or four farmers who will tell them exactly what they want to hear.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, thank you very much, I am pleased to be able to join in this debate this evening on Bill C-54, an act to amend the Farm Products Marketing Agencies Act.

One of the first things that we have to find out is what this bill does. It changes the name of the act to the Farm Products Agencies Act. It removes the word marketing.

Now we have to understand that it really does not prohibit any of the former activity or enabling portion of the previous act but it broadens the act out so that it can play an increased and different role in the agricultural industry.

As we know, the bill as enacted is going to allow the formation of agencies within the commodity groups and with the agricultural community.

• (1830)

Those agencies will have the power, once they are formed and after they are requested, to collect levies from the production of the particular commodity or product they are involved in as producers.

They will be able to use those moneys that are collected to promote the marketing of the product, the consumption of the product, the benefits of the product and education regarding the product.

The moneys could be used for research and development with regard to the growing, the processing, the marketing and all of the other benefits of it. That is being done in different provinces by different groups at the present time to quite an extent within Canada.

The benefit I see of this bill—I will get to some concerns about the bill in a few minutes—is that it allows those levies also to be collected on those products that are imported into the country. We do not have that now, and that is a problem the industry has.

It is not a new concept in agriculture. Other countries have it. The United States has it and uses it very effectively. I guess if I were an American producer, I would be very pleased that it was there. We are not on a level playing field until we get a similar situation here.

For example, we all know in the last two or three years, the American concern and the countervail that the American pork producers have been effectively placing on Canadian pork exported into the United States.

At the very same time that that product was being exported into the United States, the United States was collecting a levy on the Canadian product going in there. It was collecting that levy and using those Canadian dollars to work against the Canadian producers. They do that on beef as well.

I guess what I am saying is that we import from other countries. We import particular cuts of pork from the United States as well. We eat a lot of bacon and we do not have enough bacon in Canada. The particular portion of the pig that that comes from, pork belly, we have to import from the United States.

I guess what I am saying is that this will put us in a better position. What is sauce for the goose is sauce for the gander. If other countries are going to charge us levies on products that we ship in there and use those moneys to promote their own product, then we should be in the same position.

There are considerable benefits. The question might be raised from this: What will this do? This act, as we know, allowed a number of years ago the putting in place of the Canadian milk supply management system, the egg, the chicken, the turkey and the broiler hatching egg marketing agencies, the supply managed ones.

This will not affect them, but I will tell the House and I will tell those who are watching that unless the Prime Minister is able to deliver on what he has said to the producers as recently as yesterday as far as the strengthening and clarifying of article XI of the GATT in the Uruguay round, unfortunately, I think there may very well be greater volumes of dairy, egg and poultry products coming into Canada from outside.

It is very clear that a system of tariffication will not give Canadian producers, consumers, and processors the protection or the food security that we have at the present time.

Even though all of those boards at the present time are collecting levies, they are using them I think primarily for promotion at this stage, but also for some research. I asked the dairy farmers this afternoon if the levy taken off their milk production was used for research at the present time, and they said that some of it was.

If that very unfortunate situation takes place that this government agrees to sign a GATT agreement that has a tariffication clause in it as the producers have been telling Canadians so clearly in the last number of weeks and months, those levels of imports will rise.

I will tell you we had better be able to have a check-off on them if that unfortunate situation happens.

As I said, this legislation will not have any great effect on the present act, other than strengthening it and enabling it to do a bit more.

The biggest benefit is the level of levies and the fact that levies can be applied to imports coming in. Research and promotion organizations or agencies would be funded by these levies and they would be run by producer groups.

The legislation is so worded that the Governor in Council could ask for a referendum among the producers of a certain product. If there was a majority of producers and importers together, each importer and each producer would have one vote, then the agency could be set up and they could go about their business and decide how they wanted to do it.

I must stress that this does not put any of these agencies in place. It is like so much of the legislation that we pass in this place. It is enabling legislation.

As I point out very clearly to constituents in my riding and to people when I am talking to them at different places, it is another piece of legislation where I, as a member of Parliament, would like to see the regulations to a greater extent than we do before the legislation becomes law.

We pass enabling legislation. We think that yes, it is a good idea, and then it goes into the hands of others who are not elected to this place and they write the rules. They write the rule book. It can be interpreted in a different manner from what we think it should be or may be when we see the legislation. That is one of the grave dangers of this place.

I know it is another subject, but I certainly would like to see this place improved somehow so that once enabling legislation was passed and before that legislation went into place the regulations come back before us as members of Parliament.

We are the ones who take the phone calls, we are the ones who take the flack. Every once in a while, if we are lucky, we are the ones who take the praise for legislation that has been passed.

But it is not very often we hear the praise because someone will put a specific little nitty-gritty clause in there because that is the way he or she particularly interprets it. It can be difficult to enforce and it may very well not be realistic as well.

I just want to give some examples of where this could be of some benefit to the industry out there. For a number of years I was a director on different boards in the province of Ontario when I was actively farming.

At that time one of the boards I was on was the Ontario Vegetable Growers Marketing Board and we had a check-off. It was allowed through provincial legislation. We had a check-off. And herein lies one of the dangers, and it has been raised by my colleague from Algoma and by the critic on agriculture from the New Democratic Party as well.

The danger of this type of legislation is that it allows a government to say to a particular producer group, if it requests and lobbies and pressures for more research or development into the production methods or marketing methods or processing of its product: "Well, you have the power, the power is there for you to put a collection agency—if you want to call it that—in place, and you draw that money out of your own producers, because we are not going to use any of the taxpayers' money to provide that or to do that for you".

We must recognize that it does put in place an opportunity for governments to withdraw funding from research and development, promotion, or marketing, or whatever roles that governments have played in the past.

We do not need any more of this in the agricultural industry. The agricultural industry is one of the major ones in the handful of wealth creators that we have in this country or that any country has.

I get very upset when I look at the expenditures and I see that the present government, for example, in the fiscal year 1989-90 withdrew $40 million from agricultural research and development. That is not the way we should go if we are to sustain and promote that industry.

• (1840)

I will give another example. At the present time Ontario apple growers are conducting a program called "Orchard Crisp". They are marketing and promoting Ontario apples under that program and it has been very effective. We also know that six out of ten apples eaten in Canada are imported.

I will just back up a little. At the present time, when Canadian producers decide to promote a product, they can only get support from their own growers, from a provincial check-off or maybe some provincial and federal funding, if they are lucky, to assist them in that regard. If they are promoting apples, for example, the consumers cannot, even though it is on the label, easily distinguish between apples coming in from the United States or somewhere other than Canada. So a promotion to eat apples assists everybody, whether or not they are Canadian apple growers, and it is paid for by Canadian producers.

This legislation would allow for a check-off for imported apples. Therefore we would have a situation when they are promoting apples where all apples eaten in Canada would have contributed to that check-off and the production would have contributed to that check-off. That is a benefit.

Ontario berry growers, the producers themselves, have a similar program. I would hazard a guess that 50 per cent of the strawberries we eat in Canada in a year, in a 12-month period, are likely imported. However, when Ontario berry growers or other Canadian berry growers promote strawberries and encourage people to make desserts and jams and jellies, they do it at different times of the year other than the peak of three, four or five weeks in June and July. The imported berries they buy have not contributed to that and I think our producers pay an unfair share. We would be on an equal basis with other countries in this regard because other countries do the same with what we export to them.

For the most part, farm production organizations and boards are in favour of this legislation. They have raised some concerns. I have raised a couple of them, but I also have a couple of other questions. I am pleased the bill is going to the Standing Committee on Agriculture. There are some things we have to clarify there.

The term GATTable has been mentioned by previous speakers. We hear that term or the words acceptable at the GATT a lot right now. Could an agency established under this legislation for a particular product be accepted because of what it does with those moneys? Would it be accepted at the GATT by other countries?

Another concern we have to clarify in committee is: Could a research and promotion agency be established for a particular product in one region of Canada, or would it have to be a commodity specific at either the provincial or national level?

Another question we have to clarify is: If an agency were regional specific, would it be possible for other Canadian regions to benefit from the research paid from the levies on that small producer group? Those are a couple of the concerns I have.

Another concern I have is: If a sector of the agriculture commodity after a vote or a plebiscite or whatever agreed to have a check-off, how would it affect smaller producers? I know the logistics of this could be and would be addressed in regulations, but I am thinking in particular of a very complicated industry such as the horticultural industry where there are large producers and small producers. How would the size be established at which we began to have a check-off? Many horticultural production units are only one, two, or three acres in size. They do not sound like very large operations in Canada compared to some of our other types of farming, but they may very well produce a sizeable amount of fruit or vegetables. The logistics would be checked off.

A good example, and the minister raised it earlier, of how this type of thing can work is the National Beef Information Centre. I just want to touch on that because I am pleased and proud to have a family owned facility in Wellington, Ontario, in my riding Prince Edward—Hastings in Prince Edward county that has worked with the National Beef Information Centre to get the Canadian patents for a new product called beef fingers.

I know all of us in the House realize that cows do not have fingers, but we also have to remember that we have eaten a lot of chicken fingers and chickens do not have fingers either. I guess we can see what research has done: the National Beef Information Centre and these entrepreneurs in my riding have developed fingers on cattle.

It is an excellent product. I had an opportunity back in August to sample some. I am pleased to say that it is going to be a success story. There are investors coming forward wanting to get involved. Strips of pure lean Canadian beef are going to be used for that.

This is a case where a check-off has helped and can help. It is a good example because a lot of promotion has been done and will be done in the future.

I thought I would take a minute as well to talk about marketing boards. Being one that has been involved in different types of marketing boards, I thought it might be worth while to explain to the House and to explain to the Canadian people a bit about the different types of marketing boards.

Quite frankly we all have to admit unfortunately that too many consumers out there do not realize the importance of farm boards. When they hear the words "marketing boards" too often the dollar sign flashes in front of their eyes and they say: "Yes, they cost me money". I want to make very clear that they do not cost producers money. For the most part they do not cost the taxpayer a very great amount of money at all. However, they do provide the farming community—and when I say "the farming community", I mean the whole agrifood community: the producers, the suppliers, the processors and the trucking industry—with a tremendous service.

There are different types. Yes, we do have the supply management boards where we say to the rest of world that we will not provide surpluses, produce surpluses and ship them into their markets. Therefore we feel we have the right to limit the amount that they ship into the Canadian market. We also have other types of marketing agencies. There are the ones that I refer to as the pooling types. A good example of that is the Ontario Wheat Producers Marketing Board where producers of wheat in Ontario deliver their wheat to an elevator and the price is pooled. There is no price set. Whatever the price is over a 12-month period, it is pooled and every producers gets the same amount per tonne of grain. There is no pre-set price. The world sets the price and the market sets the price.

There is another type of board where the product is assembled for sale. They simply have producers of such things as hogs take them to an assembly yard where they are marketed and offered for sale.

I am pleased that this bill is going to the Standing Committee on Agriculture. There are some questions I think we need to clarify for Canadian producers and Canadian consumers. I look forward to that discussion and debate in committee.

• (1850)

Mr. Vic Althouse (Mackenzie): Mr. Speaker, the hon. member has discussed some of the commodities that have been using marketing boards. He mentioned that he is a pork producer, or has been a pork producer. I wonder if he would care to comment on the problems some of the commodity groups have had with the concept of this kind of marketing legislation which we are amending here today.

Would he be comfortable freeing up this legislation, while we have it open already, to permit the establishment of national marketing boards for other commodities, without each of them having to come to the House to convince the government it should be a named commodity and should be included in the legislation? Is he comfortable with that approach?

I ask this question because I understand from watching the proceedings back in the 1970s that the Canadian cattlemen seemed to be almost paranoid about any legislation on the books which would permit 50 or 60 per cent of the producers to opt to use a marketing agency for the marketing of their commodities. For some reason they were absolutely afraid of what might transpire if democracy prevailed and 50 or 60 per cent of producers decided that they wanted to operate under this kind of legislation.

I am wondering if he could give us his opinion as to whether this legislation could be expanded, while we have it open, specifically the requirement that the government must name the product before producers can set up an agency under the marketing side of this act.

Mr. Vanclief: Mr. Speaker, the member raises a good point.

We have to recognize what has gone on and what is going on in the Canadian agrifood industry at the present time. The production sectors have given any economic viability to the agrifood industry over the last number of years. Those production groups have been dairy, eggs, and poultry. They are the five that are there at the present time.

My first response to the request by the apple producers in Canada was that it was a very realistic and very mature request. I do not know how anyone can oppose that. They are saying to the Canadian consumer that they do not want to corner 100 per cent of the apple market. At the present time there is a level of importation into Canada. They are prepared to live with that. They do not want to roll it back.

I used to produce a number of hogs per year. It was extremely difficult for me to do any budgeting. Four or five years ago I can remember the day when I was happy if the price of pork for the producer hit $2.20 per kilogram or $1 per pound. This is on a dressed weight basis.

Six weeks ago it hit $1.02. If you are working in a factory, have your own plant, or are working in an office, how would you react as an employee or a producer of anything, whether or not it is connected with agriculture, if that fluctuation was there?

The reasonable level of profit this type of legislation has allowed to the dairy, egg and poultry sectors has also allowed those sectors of agriculture to play a very major role. They have been able to be environmentally sustainable. With that reasonable level of profit—and it is not an exorbitant profit, by any stretch of the imagination—because of the security of their income they have been able to budget, to practise proper soil conservation, land conservation, and to buy the pieces of equipment which allow them to do that.

We do not have to say it very often in this House because we know it: Two-dollar wheat does not allow the Saskatchewan farmer to farm the way he or she knows they should farm because they simply cannot afford to do it.

This type of legislation allows that to happen. It allows the proper agencies to be put in place to improve not only the lot of the Canadian farmer and all of the spin-offs to related industries but also benefits the Canadian consumers in the long run because it allows us to keep a Canadian food security policy in place.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, two quick comments and a short question for the member for Prince Edward—Hastings who spoke very well.

First, I would like to inform you, Mr. Speaker, that I have an interest in speaking on this bill. Judging by the time tonight my chance to speak on this bill will likely be another day. I am looking forward to speaking on this bill and participating in the debate on this interesting and important issue.

Second, and I want to make this point because I have not had an opportunity today to raise this matter. On the day the Prime Minister and the Minister for International Trade are travelling to Europe to discuss the supply management sector at the GATT I want to say on public record that I very much support the strengthening of article XI. I hope that the government will take all the steps it can to protect the supply managed sectors of our farm economy and ensure that when the negotiators return and the GATT talks are over the thousands of producers of poultry, eggs, turkey, and other supply managed products have a secure future in Canada and can operate as they have in the past.

My question to the member for Prince Edward—Hastings relates to this legislation, specifically because he mentioned the National Beef Information Centre. I am very much aware of the activities some of the breed organizations are involved in. For example, in my corner of the province of Saskatchewan the Hereford breeders are very active in their work and are very anxious to promote the Hereford product as opposed to other beef products. I am aware that there is tremendous competition amongst the breeders of the various breeds of cattle.

I am wondering if the hon. member has looked at this legislation closely enough to be able to tell me if there are opportunities for breed action in terms of the check-off or if the money for check-off all go to beef, whoever that happens to be?

Mr. Vanclief: Mr. Speaker, the member for The Battlefords—Meadow Lake has raised a good point.

My interpretation of the legislation at the present time is that it would be the Cattlemen's Association or the Beef Producers Association and this legislation would not allow it to break down to an individual breed organization promoting a breed. It may very well be but it is a valid point and we should clarify that in the committee. I am sure we will when it goes to the standing committee.

The Acting Speaker (Mr. Paproski): It being seven o'clock p.m., pursuant to Standing Order 36 the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

• (1900)

[*English*]

PHARMACEUTICAL INDUSTRY

ESTABLISHMENT OF ROYAL COMMISSION INTO PRICING PRACTICES

The House resumed from Monday, February 10, consideration of the motion of Mr. Caccia. (p. 6615)

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am very pleased with and interested in the proposal that has been put forth by the hon. member for Davenport, that a royal commission study be initiated to study the pricing of pharmaceuticals in Canada.

Clearly, Canadians need and deserve a system in which pharmaceuticals are available at a price that is not going to cripple the ability of the provinces to provide services and not going to cripple the consumers as well. The Minister of National Health and Welfare has stated many times here in this House that he is committed to work with the provinces to make sure that we do maintain and keep reasonable prices for consumers.

Drug pricing in Canada is a complex issue and it covers many jurisdictions. Federal jurisdiction is confined to the factory gate prices of patented medicines. The provinces have jurisdiction over retail prices and dispensing fees for patented and non-patented medicines.

I am really concerned that a royal commission into drug pricing would become bogged in jurisdictional disputes on what belongs in the federal responsibility versus what belongs to the provincial responsibility. No one in this House wants to derail a process of looking at the prices of drugs within this country. That could be the effect of a royal commission.

Perhaps all of our efforts here in the House would be better used to study drug pricing and direct them toward the areas where the Government of Canada has sole jurisdiction. One such area is in the regulatory system that tests new drugs before they are made available to the public. Canada has a regulatory system that ensures safety, efficacy, and the quality of drugs that are marketed here in Canada. Our system is one of the most stringent and demanding in the world and it has been in

place for some 30 years. There is a price that Canadians pay for maintaining, as I said, one of the most stringent and demanding regulatory regimes. It often takes our drugs a lot longer to reach the marketplace than in other countries. Regulatory processes also add to the costs of government. They add to the costs of doing business and they add to the price of the pharmaceutical products.

There are many questions that can be raised about the Canadian drug regulatory system, questions that clearly fall in our jurisdiction, the federal jurisdiction. How does our system, Canada's system, compare to those of other national regulatory agencies? What can be done? What can be done to create an international system where testing procedures in one country will be recognized in another country? With one of the most exacting and demanding systems for drug approval in all the world, could Canada become a leading international centre for clinical testing? Other countries could then recognize Canada and recognize our approval, only if it meets their own standards. In fact, since 1986 Health and Welfare has conducted a lot of certifications of World Health Organization vaccines for measles, polio, diphtheria, and in the last couples of years has extended that to include tuberculosis and tetanus. Drugs would be in the hands of consumers more readily if we had one system for qualifying and making sure that they were safe all around the world.

One of the questions we have to ask is on the optimum level of international harmonization. I know that sounds difficult. I think as the global community gets smaller and smaller, we are going to see various agencies from one country start to harmonize with an agency of another country. Let us see how Canada could contribute here.

Last October, we hosted the Sixth International Conference on Drug Regulatory Authorities. In 1989, we hosted the International Symposium on Drug Safety. We have joined the European Free Trade Association scheme for the evaluation of pharmaceutical reports. We support the expansion of the World Health Organization certification scheme and are committed to ensuring that drug exports from Canada are authorized for sale in Canada and that they conform to the good manufacturing practices scheme of the World Health Organization. We already are harmonizing with meeting standards of many countries around the world.

What is our role in the international marketplace for medicines? Does the current regulatory regime add to public health intelligence? Can we adopt a system for categorization, for drug evaluation that would be based on a level of risk? Maybe this is the route we should go.

What elements of the regulatory program can be transferred from government level to industry or to health care professionals without compromising the safety or quality? These are all questions. They all fall under our jurisdiction.

A royal commission is not necessary to answer these questions. The Government of Canada has already embarked upon a review that is going to answer a lot of questions about the regulatory system here in Canada.

Last month the Minister of National Health and Welfare announced an external review of the Canadian drug approval system. It is going to be undertaken by Dr. Denis J. Gagnon who is vice rector of research at Laval University. The review will advise the minister on the regulatory model and drug approval processes that will best serve the Canadian public and that will take us into the next century.

It is going to review and look at the recommendations for the regulatory system released in 1985 by the Nielsen task force report. Valuable information can also be gleaned from Auditor General's reports and the report of the Stein working group on drug submission review. There are many pieces of information out there. In fact, when we look at the amount of information that is currently available here in Canada, we can conclude that a royal commission would really be duplicating the information that is available and adding a severe cost that is really not necessary.

Therefore, it is not necessary for this commission to travel across the country. All we have to do is review the information that is available right here.

Also, we have asked Dr. Gagnon to look at the policies and practices of national regulatory agencies in other parts of the world and the level and extent of international harmonization and how we can make it work and

what would be appropriate for Canada and what would be an appropriate role that this government might play.

He is expected to submit his report to the minister later this year. I know it is going to provide practical and specific recommendations to continue to assure the safety, the efficacy, and the quality of drugs. It is also going to minimize the regulatory burden.

We have to minimize it, absolutely. This is where a lot of our costs come from. But we cannot compromise our standards and we cannot compromise safety to protect the consumers. There is no need for this royal commission. Most of them, Mr. Speaker as you well know, run in the area of $15 million to $20 million, if not $25 million. That information, as I have already stated, is available here.

I feel very confident, and I know the minister will look forward to Dr. Gagnon's report.

• (1910)

Perhaps, as I said, the time has come for each country to take a look at harmonizing. If we recognize the standards and the safety factors of other countries, we do not need the burdens and regulatory agencies. Canada is one of the best and one of the most stringent, and indeed other countries could recognize us. A lot of the clinical testing could be done here.

I would like to conclude by saying that there is absolutely no need for royal commission at this particular point in time. I would hope the House would support the government's effort to review the whole drug regulatory system. We look forward to the results of Dr. Gagnon's report.

Mr. John Manley (Ottawa South): Mr. Speaker, I would like to begin in discussing this motion with the remarks of the parliamentary secretary who preceded me.

She said that this commission was unnecessary. If I understood her correctly, she really referred to two reasons. One is essentially that the information that would be sought by it is already available through the efforts, first of all, of the Gagnon committee, and second, it is available through the ongoing work of the Patented Medicines Prices Review Board.

I would like to take issue with those points in this way. First of all, the Gagnon commission is intended, as she rightly pointed out, to study the process that we have in Canada for certifying the suitability of medicines for distribution to the public.

What this motion by my colleague from Davenport attempts to get at is not precisely that point itself at all, although such a commission would consider the cost at the manufacturers level, which in large part, of course, is affected by the timeliness of the ability of a drug manufacturer to distribute to the public.

That is only part of the story. In essence, what we are getting at with this motion is an effort to study the costs of medicines throughout the distribution chain, not only at the manufacturers level. Likewise, her comment with respect to the Patented Medicines Prices Review Board similarly misses the mark in terms of what the motion attempts to accomplish.

The mandate of the review board itself is limited to two things. First of all, it is limited to reviewing the price at which the manufacturer sells to the wholesaler so that that board has no authority to review the final retail price or mark-ups between the factory door and the store shelf.

Second, the review board's mandate extends to reviewing the annual price increases of patented drugs so that at present, the board reviews the prices of about 3 per cent of the drug products approved for sale in Canada. There is a very wide margin in the amount of information available compared to what we would find by such a commission as is proposed by this motion.

What we have learned from representatives of the Pharmaceutical Manufacturers' Association of Canada is this. In general terms it seems that the mark-ups by the manufacturers range from 15 to 60 per cent; by the wholesaler in the drug distribution chain, 7 to 10 per cent; and by the pharmacist, 30 to 50 per cent. In addition, the pharmacist will charge a dispensing fee of 6 to 11 per cent per prescription. Now on request to determine how accurate these levels are, the research officers in the Library of Parliament who are very capable at finding information, came to this conclusion, and I am quoting from the Library of Parliament report: "The financial reward in dispensing a drug depends on both the dispensing fee and the difference between the buying and selling price for the drug. Some of the prescriptions will be filled under provincial drug reimbursement plans with negotiated fees and costs. The provinces will make these fees and costs public. The

degree of compliance by pharmacists with the program is unknown. Some provinces allow the pharmacist to levy a surcharge on the drug costs. Others allow the pharmacist to keep the difference between the actual drug cost and the formulary price.

"In addition, there are the private and the employee drug plans for which there are not readily available public data. The extent of a free market for the remaining prescriptions differs among provinces as has been described earlier. To summarize, there are not uniformly reliable data on the financial reward to dispensing drugs".

What would be an appropriate question, on the basis of that quotation, is what should be the concern of the Government of Canada with respect to this issue, given that the market exists? We do not do investigations into the prices of everything, and I think that is quite simple. The issue is simply based upon the fact that a very large proportion of our publicly funded health costs are incurred in the acquisition of medicines required by patients. Those costs are paid out of the public purse.

As we have seen from the research that we have been able to do, nobody really has a handle on how all of these costs are arrived at. We cannot pin down what the level of mark-up is stage by stage in the process. There is some question as to how competitive the acquisitions are. It seems eminently reasonable, therefore, in the face of that, that we should be supporting the idea of a commission undertaking or embarking upon a study into these prices.

I want to make clear that what we are dealing with here is not the issue of innovative drug manufacturers versus generic drug manufacturers; that issue is entirely separate from this particular issue. In either case, we need to deal with the level of mark-up that occurs through the system.

What can certainly be said in general terms is that if an imperfect market exists, prices will not always be reasonable in relation to costs. What we have in this case is a very imperfect market where the consumers of medicines are often unconcerned with the cost because they, in person, do not incur the costs and where the provinces have the difficulty of trying to either compensate users or force them to pay premiums over the costs of their drugs.

To refer to the Gagnon study relating to when drugs can be put on the market or to refer to the Patented Medicines Prices Review Board as providing the information that such a royal commission could obtain and make available as part of the over-all study that must be ongoing continually at both the federal and provincial levels with respect to health care costs, is fundamentally to miss the point.

I would like to conclude by saying that the proposals that the member for Davenport has made in his motion, that the House urge the government to launch a royal commission to look at the level of mark-ups throughout the distribution chain in the pharmaceutical industry, is an entirely reasonable one and one that I am pleased to support.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, this motion which I wish to support is, I believe, a very simple motion and I am surprised that we do not have the support of the Conservative side of this House. I heard the hon. member from the Conservative side saying that this is not necessary.

• (1920)

I just want to go back to the Liberal motion so that we understand what we are talking about. It is absolutely necessary to support it.

The motion says:

> That this House urges the government to launch a royal commission into pricing practices in the pharmaceutical industry to determine the rate of mark-ups in price at each transaction, from manufacturer to wholesaler or distributor, from wholesaler or distributor to retailer, and from retailer to the public, in order to determine how such mark-ups affect the Canadian consumer.

That means we want to know whether the Canadian public is getting fleeced, is getting ripped off. I would like to see this royal commission because I have my own opinion and my opinion comes from the people I represent in my riding of Chambly. The senior citizens group from St. Mathias told me about the high price of their medication, as did the senior citizens groups from St. Bruno in the town of Chambly and St. Basile le Grande. If there is one thing these people tell me, it is that they are getting ripped off on the price of pharmaceuticals. The problem is that they cannot get a 10 or 15 per cent raise in their pension income because it is not there.

We are talking about the fact that pharmaceuticals are costing so much nowadays, but that is okay because the province is paying for them. They are free. I am sure my friends on the other side would say: "There is no such thing as a free lunch". Well there is no such thing as a free pill. The province is paying for it, which means I am paying for it and that you are paying for it.

I must say that as a consumer advocate I have seen certain patterns emerge among businesses. I do not think the pharmaceutical business is that much different. They get their foot in the door, get a monopoly on a product, and then they make sure that nobody else gets in.

That is why I welcome this motion. It is a Liberal motion but I think it is a motion that everyone can identify with. I do not think there is any question of partisanship here. It is a motion which gets down to the nitty-gritty. Are we being ripped off or not in pharmaceuticals?

We must take a look at the cost of medication nowadays, particularly in view of patent legislation where I believe we have been sold down the river by this government as far as increasing patent protection and shutting out the generic companies is concerned.

I am sure the members on the other side will say: "No, that is not the case. By making sure that generic drugs which are cheaper do not get into the marketplace too soon, we are creating more investment. We are getting more money in R and D". I looked at that. Do you know what? The R and D represents about $200 million a year, maybe $250 million. Some companies in Quebec said: "Well, we may invest this year or maybe not. We are waiting for the Constitution to settle down". But it represents about $250 million per year or let us say $300 million. I will try to be as factually correct as I can.

Mr. Speaker, if you take a look at just one province, the province of Ontario, it has said that the patent protection changes will represent increases of approximately how much? This is not a quiz, but I see that my colleagues on the other side are silent. Well, let me help you. It is not $200 million. No, it will cost more than that. It is not $300 million to equal the R and D, but 450 million bucks. That is why we are going to pay more.

As I said, there is no free lunch and there is no free pill. In reality, it is not the provincial government that is paying, it is the taxpayers who are paying. That is what is scandalous about this whole deal.

An hon. member: Where do you want the drugs made?

Mr. Edmonston: Where would I like the drugs made? I do not care where the drugs are made necessarily as long as we are not paying more than our fair share for them.

I do not know what members on the other side know about drugs but I was a medic in the U.S. army and I remember the difference and cost of different drugs, generic versus the regular drugs. I will give you an example, Diazapan. Do you know what Diazapan is? It is Valium. You buy it as Diazapan it costs you pennies, you buy it as Valium which is the trade name and it costs you about 25 times more. It has been on the market for decades and they are still ripping off the public as far as the amount of money they are getting under the Valium label.

Let me talk to you about tetracycline hydro-chloride. Do you know what that is? It is an antibiotic and it is called Terramycin. The same rule applies. Do you want me to tell you about aspirin? Aspirin is not generic, Aspirin is actually a trade name. That is why if we mention Aspirin outside this House the drug companies are going to say: "Whoa, make sure that you say aspirin is a registered trade mark" because they do not want to lose their trade mark. Aspirin is acetysalicylic acid and it costs pennies but when it is Aspirin or Bufferin or Bayer—I could talk to you about all the Aspirin wars in the 1920s, 1930s, and 1940s but I will not waste your time—when it gets into that trade name then you are going to pay a lot more for the same product.

I would not care. I would not be up here speaking about this if this drug monopoly and drug pricing were not affecting the most vulnerable people in our society, but it is, and you know it when you go down and see your people who are in the senior citizens groups. You know darn well that is the case. It is not just pricing.

One of the first cases I had when I was elected here about two years ago was one dealing with a medication which used to control angina and they found out that it had an arthritic affect. So they took that same medication, renamed it and they boosted the price five times. I had to go on *Market Place*. I had to complain. I had to make a big issue of it until a drug company said: "Oh,

yes, you are right; it is the same product". Well let us bring it down to a reasonable price.

I believe fundamentally we are getting cheated. I believe fundamentally there is a need for this type of royal commission. When we talk about the $25 million it might cost, I just bring you back to the Auditor General's report against this government that complains that this government has wasted over $20 billion in not investing properly our pension funds, which it has. So do not talk to me about $20 million to $25 million. I want to make sure that we stop fleecing senior citizens on the cost of medication in this country.

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, I am happy to rise on this motion because it gives me a chance to tell some of the members who were elected in 1988 and who are new here, as well as any Canadians who might happen to be watching, my particular perspective on the history of this whole drug issue.

Needless to say, I am opposed to the royal commission because in a sense the Prices Review Board is an ongoing royal commission looking at the prices of drugs charged in Canada all the time and it puts the companies to very strict examinations and presentation of information as to what they are charging. It is an ongoing body, very professional, and has had a dramatic impact on the price of drugs in this country.

As well, there are parliamentary committees and we have standing committees that can take up, any issue we want. So if the members of the opposition truly believe and can make a prima face case that there that there is a rip-off, there is absolutely no doubt that the standing committee on health can take up the topic and follow up on it. We do not need to hire maybe 10 people at $800 or $900 a day on a royal commission to do this type of a study.

What I am more astounded about is the continued opposition and the continued hatred displayed by the members of the opposition toward public corporations in this country because that is really the underlying current that they are getting at.

• (1930)

If a company becomes public and large, they are inherently opposed to it. They are particularly opposed to manufacturing companies.

Look at all the decades that the Liberal-NDP coalition carried on that manufacturers sales tax, all the while knowing that every other country in the whole world had abolished manufacturers sales taxes against their manufacturing firms.

Canada was the only country in the whole world that continued that anomalous manufacturers sales tax. This is primarily because manufacturers are big companies and they just do not like them. The fact of the matter is, they do not like them.

What they are also getting at when they are opposed to those companies and those companies surviving is that they are attacking the research and development.

They are attacking our universities and the training of basic scientists who have to work there. I will talk about that further, particularly with respect to drugs.

There is no doubt that during the latter parts of the 1950s and 1960s that drug companies were charging a lot for their drugs. The rate of increase was higher than it ought to have been, but that was occurring around the globe.

So governments reacted. In virtually every other country of the world where they acted at all on it, a prices review board was brought in with the power to call the companies in, to subpoena their records, to examine the research and development they were doing and the cost of developing these drugs. That is very expensive; $200 million or $300 million is nothing to develop a new drug and it then takes from 9 to 12 years to even get it on the market.

Most other countries came up with a prices review board. Not Canada, not the Liberal-NDP coalition that ran this country for many years together, always hand in glove.

Oh, they would have a lover's tiff from time, to time, particularly around election time, to make sure the NDP could get a few elected, but when they got right down to it they were always sticking together just like that.

I sat back here a couple of rows in 1979 when they brought down the Clark government and there has been a continuing history of that.

What did they do? They abolished patent protection. There was no prices review board. They took away the patent rights.

So what did the companies do? If you want to invest in a drug company, are you going to start your company in Canada and make drugs, hire Canadian university graduates, our chemists, our physicists, our scientists, to develop these drugs when you could go to Switzerland, to Britain, to France, to the United States, anywhere around the world but Canada?

Of course, they did not come here; they went to these other countries. So research and development got smaller and smaller in Canada. It did not mean we were using less drugs. It meant that the drugs our people had to buy were manufactured by young people, workers and scientists in other countries.

It did not save us one cotton-picking cent, but what it did cost us was tens of thousands of slots in universities and science positions in universities where Canada could have been developing the drug so that everyone else in the world would be paying a small royalty to us. And it could have been self-sustaining.

Because of the Liberals and the New Democratic Party, the country that developed insulin, that should have been a leader right into the next century went into a Third World status in terms of drugs. That is what we inherited in 1984.

It was exactly the same with respect to plant breeders rights. They opposed it. The NDP is on record as having opposed it for years and years. The combination of the NDP and the many organized church groups who were totally off-base in their opposition meant that new varieties and new grain types were being developed around the world, but not in Canada.

By the time we come along and get the modest patent protection for drugs through, we are 10 to 15 years behind.

The same with plant breeders rights. By the time we got that through this House, our scientists, who for the first time could get some patent protection and therefore develop varieties and get a royalty, are 15 years behind.

In high technology companies, when you are one year behind you are a dinosaur. If you are 10 or 15 years behind, you have an absolutely huge burden to get over.

That is exactly what the Liberal Party left this country. Fortunately in terms of the third bill that involved patents they learned, and I must give them credit, by the time we came along to the Integrated Circuits Topography Act. I know that because I was the parliamentary secretary and ran it through.

They are these little chips. They are really like an apartment building. There is layer after layer of silicon with wires going between them, or some other connection. It is like an apartment building.

We have 25 companies in this country that build these integrated circuits. It is an enormous job creation place for our talented young people. It is a bit like an architect designing how the pipes will go up through apartments.

With no patent protection of course companies were not going to do it here. So we got a bill through the House, and I must say that both the Official Opposition and the New Democratic Party voted for that bill. Finally, they realized that in this country we have to do research and development. To get research and development we have to have patent protection. That is really a step ahead.

Let us not forget our history. This resolution is just a return to that typical attitude that they have that they are against anyone who is doing corporate work or anyone who is doing R and D.

Was it successful? Yes. The drugs in this country only take 6 per cent of total health care costs. The R and D being done in 1986 was less than $100 million. This past year it was $300 million.

Think of the young people who are working today, our scientists who are working who were not working even four years ago. They are going to use the drugs anyway. Finally, they can use drugs that were developed and manufactured in this country.

I am looking at a chart which shows that every other country offers many more years, almost twice to three times the patent protection that we do. It is very important that this resolution not be passed because it will reduce a very substantial and healthy business in this country.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am very pleased to stand here in support of the motion of my colleague from Davenport:

> —urge the government to launch a Royal Commission into pricing practices in the pharmaceutical industry to determine the rate of mark-ups in price at each transaction from manufacturer to wholesaler or distributor, from wholesaler or distributor to retailer, and from retailer to the public, in order to determine how such mark-ups affect the Canadian consumer.

I guess I have been somewhat shocked at the previous speaker's comments. I would like to say why I can support this motion.

The pharmaceutical industry in Canada is a substantial business. Its activities amount to $4.5 billion every year.

For certain products called patent drugs, the industry enjoys a substantial monopoly situation which could be strengthened and amplified if the present negotiations at GATT are successful.

The whole question of mark-ups in the price of pharmaceutical products affects the consumer. Mark-ups in this industry also affect the taxpayer and the public purse.

Why is this a public issue? It is a public issue in two respects. This is an industry that is federally regulated. The cost of prescription drugs is covered by provincial health care plans with public funds.

It is so simplistic. As a result of this brief overview I find it very difficult to understand the previous speaker from the government side of the House. This affects the public purse.

We as Canadians have been very proud of our health care system that ensures that all Canadians receive complete and thorough medical treatment regardless of income or economic standing. But an important part of the picture is missing, a part that perhaps we should be less proud of.

Every Canadian can go to a doctor and every Canadian can get a prescription for whatever drugs are needed to heal the symptoms of illness. For some Canadians they can even go to the pharmacist and get those drugs free. But for many, depending upon a variety of factors including where they live, they cannot afford to get the drugs they need at all.

As I said earlier, drugs are a major industry. The annual revenue is $4.5 billion. This revenue is divided between a number of sources: the manufacturer, the wholesaler, the pharmacist. At each stage the price of the drug gets higher and higher.

• (1940)

Estimates place the mark-ups at between 15 per cent and 60 per cent by the manufacturer; 7 per cent to 10 per cent by the wholesaler; and another 30 per cent to 50 per cent by the pharmacist.

For seniors and for people on low incomes, these drug mark-ups can incur a considerable hardship. The people who most often need drugs will be the ones who are least able to afford them.

At the moment there is one check to the seemingly uncontrollable increase in the price of drugs which is the generic drug industry in Canada. It is strong and it is Canadian owned.

The generic drug industry has been able to flourish in Canada because the patent protection period on new drug products is much shorter than it is in some other countries.

Now the catch on the government side is that the government now wants to extend the patent protection on drug products to 20 years. It says this will be an incentive to the industry to invest in research and development. Will this move be a good one for Canada?

At the moment, 92 per cent of the pharmaceutical industry is foreign owned. It is not even Canadian owned. There are even monopolies in the system.

The two largest Canadian manufacturers are Novo Pharm and Apotex, both producers of generic drugs. By extending patent protection on name brand drugs for 20 years this government will severely impair the current efforts of these two firms to expand, two Canadian companies I might add.

The foreign companies that control the brand name drugs will have plenty of money for R and D that they can take back home with them, while the Canadian companies will be forced to cut back. And of course this will mean loss of Canadian jobs and more people on unemployment insurance than we already have in this country.

Statistics show that those on low income, due to a number of factors, are the ones most in need of drugs. What a vicious circle this government is creating.

As one constituent of mine has said, and I am sure she will not mind my quoting her. Her name is Gwenda Noad and she says:

> For many Canadians, the purchase of essential medications is the major item in their health care costs. It certainly is for me. The ability to obtain generic drugs provides substantial relief and I find it difficult to understand why this action is being taken which will in future years erode our ability to obtain low cost drugs.

Mrs. Noad, I also find it difficult to understand. It is simply an uncaring, unsympathetic government.

This motion is so obviously necessary that I am surprised it has not received unanimous consent in this House of Commons. All this motion asks is that we keep tabs on the pharmaceutical industry.

As my colleague from Davenport has said, the waters are so murky here that he was not even able to discover how far-reaching this problem is or how many Canadians it is affecting.

This government has said that there is already a system in place to monitor the drug industry. Bill C-22 created the Patented Medicine Prices Review Board, but the mandate of that board is so limited that it renders the board ineffective.

It deals only with the mark-up between the manufacturer and the wholesaler. In any case, all it can do is review the prices. If this board thinks the prices are too high it is powerless to act.

Another argument against federal intervention is that this area of price mark-up falls too much under provincial jurisdiction.

I repeat here what I have said before, that I am proud as a Canadian of our universal health care system and I think most Canadians are too.

If one senior or one child in this country, anywhere from Vancouver Island to Newfoundland to Whitehorse, dies because that person cannot afford to buy drugs that he or she needs then that is one death too many.

This motion is simply saying: "Let's force the players to put their cards on the table. Let's let Canadians know what the mark-up is on these products that they do not buy for choice, they do not buy for enjoyment". People buy drugs because they need them to stop pain, to ease discomfort, and to make it through a difficult day.

Drugs are not a luxury item. If we really believe that universal medicare is important—and I for one am proud that Canada provides health care for all its citizens—then let us make sure that all Canadians, rich or poor, have access to drugs and medication that they need.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

Motion negatived.

SUSPENSION OF SITTING

The Acting Speaker (Mr. Paproski): Is it the wish of the House to suspend the sitting to the call of the bell?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): I will now suspend the sitting until eight o'clock for the special debate.

The sitting of the House was suspended at 7.47 p.m.

SITTING RESUMED

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S. O. 52

[*English*]

FISHERIES

SITUATION IN ATLANTIC CANADA

The Acting Speaker (Mr. Paproski): It being eight o'clock p.m., the House will now proceed to the consideration of a motion to adjourn the House under the provisions of Standing Order 52 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the situation in the Atlantic fishery.

Hon. Roger C. Simmons (Burin—St. George's) moved:

That this House do now adjourn.

He said: Mr. Speaker, this is an important debate. It is about fish; more to the point, it is about people. I am grateful to the Speaker for entertaining my request and allowing this debate this evening. I have no illusions. This debate will not solve the problem which we face. What it will do, I trust, is focus some national attention on a national industry in distress and on a treasured way of life that is under unwarranted and vicious attack.

The debate this evening must also focus some minds and get the attention of at least some of those who are most responsible, and who must bear the lion's share of the responsibility for allowing a once proud industry to come so precariously near to oblivion. At the same time we must get the attention of those same people who happen to be in a position to do something to correct this situation.

I do not exaggerate; I do not overstate the case. The Newfoundland fishing industry is at a watershed. A way of life which has nurtured Newfoundland's sons and daughters for five centuries is slipping relentlessly beyond our grasp. If that is permitted to happen, Canada will certainly be the loser; all of Canada will be diminished by it because that will be nothing less than cultural genocide.

Chief among those who stand indicted of this double-barrelled wilful act of destroying both a precious marine resource and a proud maritime people, is the Prime Minister of this country.

You see, this is all about political will or the lack of it. The factor which is most in play here is foreign overfishing, and I will have something more to say about that in a moment. The senseless, suicidal ravaging of the fish stocks off Newfoundland would have stopped long ago if the Prime Minister had taken on the issue.

As you know, this Prime Minister has a well-earned reputation of being a man who can grab hold of an issue and see it through to the result he wants. Take for example the free trade agreement and the GST. He wanted these and he got them against all odds. Now many of us are suffering as a result, but that is for another debate. The point here is that the Prime Minister's commitment to a cause usually produces some results. His commitment and his agenda often prevail, and therein lies the crux of the problem in the present case. Foreign overfishing is not on the Prime Minister's agenda. He is not seized with the issue. Until that changes, the pillaging of Newfoundland's fish stocks by the Spanish and Portuguese will continue unabated and indeed will accelerate.

This year for example, foreign overfishing is up by 100 per cent while the local Newfoundland fish catches are down by 50 per cent. Do we need any more proof than those two statistics? Unless the Prime Minister focuses his mind on this matter, thousands of fishermen in my riding and elsewhere will sit idly on the wharf this summer and for a lot of summers to come. Plant workers will be forced to turn to welfare handouts. Fish plants by the dozens will close their doors forever and community after community after community will vanish off the map altogether.

Every single Newfoundland MP is on deck for this debate tonight. My friend and colleague from Bonavista—Trinity—Conception is here. My friend and colleague from Humber—St. Barbe—Baie Verte is here. My friend and colleague from Labrador is here. My friend and colleague from Gander—Grand falls is here. They are here because they, like me, want to tell you something of the misery being inflicted on their constituents by this tragedy.

They are here because like me they want to inform you and the people of Canada of the situation. They are here because they want to implore this government to act while there is yet time to act.

I am certain my friend from St. John's East will also want to bring his concerns to this debate, and I look forward to hearing from him. I am especially pleased to see my good friend from St. John's West, the Minister of Fisheries in his place tonight. I understand that he will follow me in this debate. That is entirely as it ought to be because he is the Newfoundland MP among the seven of us who we want to hear from most on this issue.

Many Newfoundlanders are watching these proceedings on television this evening to hear from the minister of fisheries. As our sole representative in the cabinet he can do most to get the ball rolling to the immense benefit of his constituents and mine and all the others who have the privilege of sitting here representing the people of Newfoundland.

Therefore may I appeal to him not to miss the golden opportunity that is his this evening.

I saw him writing frantically a moment ago and I am sure that steel trap mind of his is working overtime this evening.

Is it too much to ask of him that when he rises to speak he resists the understandable temptation to score some easy debating points about lily white Tories and big bad Liberals? Newfoundlanders know that he is a first-class debater. He will know that the debate this evening is not about who can deliver the slickest line. It is not about one-upmanship.

As my friend from Bonavista—Trinity—Conception said yesterday, it is about the worst of times in the cornerstone of the Newfoundland economy. It is about foreigners laughing all the way to the bank. As I have said it is about a way of life, his way of life and mine, and it is about cultural genocide.

What is the minister prepared to do to help stop it and pull us back from the brink? That is what I want to hear this evening. I believe that is what every Newfoundlander who is watching and listening wants to hear from our friend from St. John's West.

I do not want to suggest for a moment that the minister is out to lunch on this one. Far from it. It is true he sat on his hands for about four years from the beginning of the 1985 fishing season when the overfishing began until the end of 1988 before he opened his mouth to even acknowledge there was a problem, let alone protest it. But true to form, when he got in gear he took on the file with a vengeance and that is to his credit. We lost four valuable years but we cannot retrieve that now.

• (2010)

Indeed it occurs to me in reflecting on my friend from St. John's West that in some respects he may be seen more as a victim than a villain or culprit in this whole sorry mess. After all, he is the one who has been left dangling by the Prime Minister on this issue. After all, he is the one who wages what must be a very lonely battle in cabinet.

Part of my purpose here this evening is to try to make his battle just a little less lonely. Unless that minister can change the mind-set in cabinet, I have to wonder why he even bothers to hang in there. Having said that, I must admit there is a part of me that prays he will, but another part of me is prepared to admit to him that I would completely understand if he does not.

I said a moment ago that this is an industry of national proportions. It is that. We often think of the auto industry as a great national industry and it is. Let me do a quick comparison. The auto industry, principally in Ontario but somewhat in Quebec, represents in total, in terms of the auto plants and the auto parts plants, about 117,000 jobs at the moment. That is almost precisely the number of jobs represented by the Atlantic fishery in terms of men and women in the boats and the plants in the four Atlantic provinces.

To put it differently, in Ontario terms the auto industry represents just over 2 per cent of the jobs. In Newfoundland the fishing industry represents 21 per cent of the jobs. It is at once a very important contributor to the regional economy, but in terms of absolute size it is right up there in national job numbers with the auto industry. I am sure most Canadians would identify it as being one of our great national industries.

Newfoundland means fish. It has always meant fish from the time that Giovanni Caboto, John Cabot, shouted in his native Italian *buona vista* which is where we get Bonavista, the town of a proud name in the riding of my colleague, Bonavista—Trinity—Conception. It has meant fish from the time he was moved to report to the King of England that the waters around Newfoundland were "teaming in codfish". From that moment on Newfoundland came to mean fish, so much so that the west country merchants of England succeeded in their lobbying at the English court in persuading the English king to make any permanent settlement in Newfoundland illegal. That lasted until the year 1829. Notwithstanding that, from the early 1500s Newfoundland

became something else. It was fish, yes, and it is fish today. It means that. But from the early 1500s it came to mean something else. It came to mean home for increasing numbers of people.

Today, five centuries later, it means home for well over one million people. I include the 560,000 to 580,000 who live there today, as well as about 600,000 who were born there but now live outside the confines of Newfoundland.

The interesting question is: why did the first people settle in Newfoundland? The answer is very simple: fish. In other terms, why did they settle there? Because they were doing what Newfoundlanders have always done and continue to do to this day. They were going where the jobs were. That is what brought them to Newfoundland. They were going where the jobs were. Even if that meant defying the established tradition, defying the vested interest, the corporate agendas and the political agendas they went where the jobs are and that practice has not changed.

Why is it that there are 100,000 native-born Newfoundlanders living in southern Ontario today, 80,000 in the Boston area, tens of thousands in the Los Angeles area, thousands in Fort McMurray, Alberta, and thousands more in Cambridge, Ontario, and why do hundreds of my constituents make the trek from Terrenceville, Bay L'Argent and other communities every year to spend six, seven, or eight months working on the CP rails in Saskatchewan or B.C.? Why is it that hundreds of my constituents and others operate the boats on the Great Lakes every summer for several months a year? It is because they are doing what their ancestors did 500 years before them. They are going where the jobs are.

It is part of this debate—if you are influenced by some of the editorials of the last day or so—so let us put to rest this cowardly, sick notion that my countrymen, my fellow Newfoundlanders, are a bunch of lazy conniving, no-goods who sit up nights trying to figure out ways to con a few more bucks out of the taxpayers of central Canada so they can keep their 10-42 lifestyle in which they work for 10 weeks so they can sit back for the other 42. Let us put that one to rest.

Let us also put to rest that gem of political wisdom, that bit of gibberish which seems to be consuming the energies of the Ottawa policy makers and some of the armchair experts at the universities which say that what is happening in Newfoundland has always been the case. Yes, the fisheries have been up and down, but so has the auto industry, agriculture, and the oil industry. It is always the case that consumer demand or foreign competition or the weather will create fluctuations in any industry. Mark my word that what is happening in Newfoundland today is absolutely without precedent. It has never happened before, never before.

While we are at it, a third red herring that we should dispense with is the one the minister unwittingly got involved in the other day. It is that the fish have discovered a new game, a Newfoundland favourite. They are out, they are playing hide and seek. You cannot find them because they hid away on us. That is the latest one. Scientists could not find them. The fish have gone AWOL, absent without leave to use the military term.

Another quasi-military term comes to mind. They are not AWOL they have paid the supreme sacrifice. The scientists are looking in the wrong place. They ought to be looking in the bone yards, in the fish offal piles in Spain and Portugal, or on the dinner tables of western Europe. If the scientists want to find the fish that is where they are. The scientists have probably been looking in the wrong places.

Those scientists should also check the ice-pans of the north Atlantic and they will find there what the ever-increasing seal population has left because it cannot digest the codfish it has killed. Yes, seals are part of the problem. However, do not let that issue, while it has to be dealt with, distract you from the much larger culprit, which is foreign overfishing.

In conclusion, there is a solution and it is a clear solution. I never said easy but I did say clear. It is clear what must be done and done without delay. Before I come to that let me note that at least in theory there is a less complicated and a more desirable solution. Simply put, that solution would have the perpetrators, basically the Spanish and the Portuguese, of foreign overfishing stop their piracy. To that end, the minister to his credit and some of his colleagues have repeatedly taken the message to the European community that overfishing is taking a dreadful toll on our industry and our way of life.

My friend from St. John's East and I did likewise. We went over to Brussels, Madrid, and Lisbon and talked to all the right people and gave them the same message, as has my colleague from Gander—Grand Falls. We appealed to their common sense, their humanity, their pocket-books, and their enlightened self-interest. None of it worked, and it is not going to work.

• (2020)

The time for friendly persuasion, for gentle talk, and for after dinner cocktails is over on this one. It is absolutely over. It is not going to work. It will not work. Anybody who keeps saying so is dreaming in Technicolor. We acted in good faith and for a thank you we got kicked in the teeth.

The time has come to do what it is necessary to do: to look after our own backyard. Clearly the only solution is to set in motion the necessary train of events to extend Canada's jurisdiction to the nose and tail of the Grand Banks and the Flemish Cap.

I see you signalling, Mr. Speaker. I appreciate your indulgence. I would have wanted a minute or so to elaborate on this point, but the minister needs no education in what is involved in extending the jurisdiction. A number of things can be said about it, maybe at another time, but for the present I appeal to him, when he rises to speak, to address this particular situation. It is at the crux of the problem and of course in tandem is the political will of the Prime Minister to do something about it. These are at the crux of the problem and hold the answer to a solution which will redound to the minister's benefit, will save a way of life, and will save a very great national industry.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I congratulate the hon. member on his speech. It was a very good effort. There is quite a bit of it that I can certainly agree with.

We are speaking tonight about a serious problem. I must say that I have become disturbed in the last few days with the attitude that seems to be taken on the mainland of Canada in newspaper editorials and the like with reference to the situation in Newfoundland. It is most dispiriting.

We have had several hard blows in the last 10 or 12 days. One was the threat to the Hibernia project which is a chance for Newfoundland to diversify, to get high-technological development and to use the resource off our shores to which the Government of Canada has given tremendous assistance. To see almost general cheers go up in editorial boards across Canada, painting this as some kind of terrible megaproject the Government of Canada should never have been involved in and this effort to develop in Newfoundland and Labrador this undeveloped area as a besmirching and ignoble thing that the government did, is most disturbing.

I saw two asinine editorials in the Toronto *Globe and Mail*, which is supposed to have the intellectual leaders of the country in its editorial ranks. I have sent them a letter today which I hope they are going to publish dealing with their pusillanimous, silly and ill thought out points they made in their alleged editorials. It is not just the Toronto *Globe and Mail*. It is across the country.

Turning to the blow to Hibernia, in my opinion it is going to survive. I have survived hundreds of disappointments with Hibernia and I am going to survive this other one. We are going to overcome it, no thanks to mainland editorial opinion.

In addition, we have this blow with respect to the state of the fish stocks and the northern cod. Newfoundland members understand what the northern cod means to Newfoundland. It is difficult for mainlanders and those not born in Newfoundland perhaps to understand this.

The province was settled because of the presence of the northern cod. The area we are talking about, 2J-3K-L, extends from the end of my district in Trepassey, up around the Avalon peninsula on the north-east coast of Newfoundland, up through White Bay, up through Labrador to the north of Labrador. This is the area we are talking about. This is the principal fish. The reason why Newfoundland was settled was the presence of the northern cod.

To get this in context, Newfoundland is not finished. Because the northern cod stock is in danger does not mean to say Newfoundland is gone or that this is the whole fish stock of Newfoundland. This is a serious problem. I am not denigrating that, but the idea is getting around that the whole fishery of Newfoundland

is gone, that the whole fishery of Labrador is gone, and that the whole fishery of Atlantic Canada is gone. That is not the case. There are many other species of fish in Atlantic Canada and around the shores of Newfoundland. The south coast fishery is not the northern cod. The gulf fishery on the west coast is not the northern cod. This does not affect crab. It does not affect other species.

What I am terribly worried about is the negative reporting of the last few days. Who is going to invest a cent in Newfoundland if we allow this impression to continue that all is gone in Newfoundland and Labrador; we are finished; we have had it; there is nothing left; there is going to be no economic activity.

What can we expect of the banks? They are already pusillanimous enough. They already do not want to invest in the fishing industry. I ask hon. members to keep in mind that yes, this is a very serious problem we are discussing here.

We are not discussing the end of the fishery in Newfoundland and Labrador. We are not discussing the end of the fishery in Atlantic Canada, but we are discussing a serious threat to one of the main fisheries of Newfoundland and Labrador, the fishery that attracted settlers to Newfoundland and Labrador, the reason why there is a rural Newfoundland and Labrador. This is of course a very serious matter.

Turning to the northern cod, 90 per cent of the jobs from the northern cod are in Newfoundland. It is 46 per cent of all the available cod quotas. It is 21 per cent of all of the groundfish that might be caught in Newfoundland; 85 to 90 per cent of it is caught and processed in Newfoundland and Labrador. I am advised that 63 per cent of all Newfoundland fishermen and 69 per cent of all of the plant workers of Newfoundland and Labrador are located in 2J–3K–L.

The present crisis we are still dealing with started really at the end of 1988 when CAFSAC, the Canadian fisheries scientists, had taken over from the NAFO Scientific Council. It had done the work on the estimates of fisheries stocks up to 1986 and turned it over to Canadian scientists. At the end of 1988 the scientists advised us that there was a major change in their prognostications with respect to what the cod biomass was for the northern cod. That is when our problem started.

In that year the total allowable catch for the northern cod had been set at 266,000 tonnes by the then minister. The scientists had recommended that if we kept to the fisheries management level of FO.1, the mortality rate based on FO.1, that we could take 16 to 20 per cent of the biomass of the fish stock in question, the TAC that year could have been 293,000 tonnes. The minister wanted to be on the cautious side so he had set a TAC of 266,000 tonnes.

At the end of that year, in December 1988, the scientists came back with a revision of their figures. They said they had concluded that the fish stocks, which had been brought to a low level by 1977 when a 200–mile zone was established, had not increased since that time by a measurement of five but had only increased by a measurement of three. Their estimates of the previous several years had been out. They said that if the measurement we wanted to apply for the following year was the management tool of FO.1, we could only take 125,000 tonnes of the northern cod.

In other words, this would be a decline from 293,000 tonnes that the scientists said was the proper TAC in 1988 to 225,000 tonnes in 1989. I do not think that any sensible government would have immediately gone from a TAC of 266,000 tonnes, which was the cautious figure we had set, to a TAC of 125,000 tonnes. It wiped out the industry overnight. It just about wiped it out completely overnight as a result.

The TAC was reduced for the year 1989 from 266,000 tonnes to 235,000 tonnes, which the scientific advisers said was a TAC that would not endanger the stock, that it would keep it at its then present biomass. It was safe to set that as a TAC. Dr. Leslie Harris and a group were appointed to review the whole situation. That is where the problem we are still dealing with originated.

• (2030)

Dr. Harris and his group did a very fine job and made their final report in February 1990. I just want to set the record straight about what they recommended or did not recommend. The first recommendation was that in respect of the northern cod stock and as a matter or urgency there should be an immediate reduction of fishing mortality to the level of at least 0.30 and, at the

earliest feasible date, to the level of 0.20. Now 0.20 is the management tool FO.1. It allows us to take about 20 per cent of the then existing biomass.

Dr. Harris has always stressed that the scientific analysis is not sure enough, that we should be conservative and that it would be safe to go below whatever the scientist was recommending. Mr. Speaker, I can tell you—and I only have 20 minutes—that we have not set any total allowable catch in excess of what CAFSAC, our scientists, advised could be done. For example, in 1990 we set the TAC at 199,262 tonnes. In 1991 it was reduced again to 190,000 tonnes and a three-year plan was adopted so that in 1992 there would be a reduction to 185,000 tonnes and in 1993, to 180,000 tonnes.

In December 1991 I set the TAC for 1992 at 185,000 tonnes, which was in accordance with the scientific advice I was given. I was told by CAFSAC what would happen if we continued with our three-year plan. I will just read it:

> The assessment suggests that the stock will increase faster than was forecast in last year's assessment largely because of the strength of the 1986 and 1987 year classes. It also implies that the FO.1 target may also be reached in 1993.

They suggested that the existing multi-year management plan be maintained, and so I maintained it. That was December 23, 1991.

I wanted to have CAFSAC continue to look at the fall results of surveys and all the latest information to advise me again in February as to what they then thought in February to see if any changes were necessary. At the beginning of this week, as I made public, their figures have been revised and they now say that the biomass, instead of being 1,330 million tonnes as they thought it was in December, now looks to be 780,000 tonnes. The spawning biomass, which they had thought in December was in the area of 270,000 to 300,000 tonnes, was now 130,000 tonnes, in their view the lowest that it was in the last 30 years. The average spawning biomass in the last 30 years has been 290,000 tonnes.

The situation was far worse than was presented to me in the period leading up to December 1991. A decision has to be made as to what to do about this, and that is what we are debating here tonight. Obviously there is going to have to be some reduction in the total allowable catch for 1992 and there are going to have to be other measures taken. Apart altogether from the scientists, we clearly have advice from the fishing companies and the fishermen that the fish stocks are not in the shape they should be in. We do not know what all the causes are.

Least year, despite the fact that the total allowable catch set was 190,000 tonnes, Canadians caught only 127,000 tonnes. The French caught 1,850 tonnes. The French are the only people who have any right to take a cod fish within the 200-mile economic zone of Canada. They have it because of a treaty entered into in 1972 and as the result of their past history in connection with St. Pierre and Miquelon and fishing in this area.

In the same period last year it is our estimate that the European Community took 47,000 tonnes of cod outside the 200-mile limit on the nose and tail of the banks. What is the nose and tail of the banks that people talk about? The nose and tail of the banks is a little area beyond the 200-mile economic zone where the continental shelf still extends. Down in this area is the tail and up in 3L is the nose of the banks. The codfish stocks are 95 per cent within the 200-mile economic zone of Canada and at different times during the year from 3 per cent to 5 per cent swim outside.

We have been unable to persuade the European Community, principally Spain and Portugal, to observe the conservation practices or the quotas allocated by NAFO, the international organization to which we and they belong which operates in this particular area of the northwest Atlantic. There has been a moratorium declared on the nose and tail of the banks by NAFO since 1986. However the European Community refuses to observe it. Last year it took 47,000 tonnes. Five or six years ago it took 61,000 tonnes out. This is our estimate, not what it is admitting and not what it reports as having taken.

I have not the time tonight to go into the Herculean diplomatic efforts we have made to persuade them to cease and desist and observe the quotas of NAFO. We have not been successful. I intend to have our Ambassador Gherson go to Brussels next week with some of our scientists to put before the Europeans the latest figures we have on the state of the northern cod, the results of the fishery of the last several years, and to request that they start to observe the moratorium declared by NAFO on the nose and tail of the banks with respect to 2J-3K-L cod.

Whether they will respond or not I do not know. I only hope that they will.

Our campaign with respect to this foreign overfishing is going to continue unrelentingly during 1992 both with respect to public relations work in the countries of the European Community and a resolution we have before the United Nations Conference on the Environment and Development setting out what the rights of the coastal state should be with respect to straddling stocks that are both within and without the economic zone of that coastal state, because the present law of the sea is tremendously ambiguous and does not set out the rights of the coastal state.

My hon. friend, during the course of his remarks, said that the Prime Minister did not have the political will to deal with this question. That is simply not true. The Prime Minister, together with the Minister for International Trade, the Secretary of State for External Affairs and myself, in several guises as a minister, has spent many hours discussing this situation with the leading politicians and ministers of Spain and Portugal in the European Community and asking them to rectify it. That will continue and it will be stepped up during this year.

At the UNCED meeting in New York in March our resolution will be pressed and in Rio de Janeiro in June the same action will take place. We intend to ask for a conference of the countries involved in high seas fishing during the year. We have asked for a special session of NAFO to be held in connection with surveillance and enforcement matters, that will be held in March.

Today, I had the Ambassador from South Korea in to see me because certain non-NAFO countries are also fishing on the nose and tail of the banks, South Korea and Panama in particular. The Panamanian vessels are owned by Spanish and Portuguese owners; they are flags of convenience.

• (2040)

The South Korean Ambassador has advised me that as a result of meetings I had in Korea earlier, in excess of a year ago, and the representations we have made, the Korean government is withdrawing one of its licensed vessels from the area now and will be withdrawing another one by the end of the year or the first half of 1993. It has instructed unlicensed vessels, which are vessels not licensed by the Korean government but owned by Koreans, to withdraw from the NAFO area during the first half of this year. It has instructed third country vessels that have Korean crews to do the same. Some progress is being made with respect to that matter.

Our problem is not simply foreign overfishing. There is no point in our believing that just the cessation of overfishing is going to solve our problem. It is far more involved than that. We have to deal with the question of what is happening to the stocks of capelin which the cod feed on.

We have to deal with the question of seals, because whether they eat cod or do not eat cod they certainly eat capelin. If there are no capelins it is going to be very difficult to find cod. That is a question related to this issue, as well.

We have to get more information about the environment and environmental factors and how they affect the presence or actions of cod, capelin and other fish. We have to do more work on that. There are a lot of new initiatives which we have taken that we have to continue.

We have to try to look after those people who are going to be affected by possible fish plant closures or a possible lack of fishing activity. I intend to be in Newfoundland tomorrow to meet with interested groups on Friday and I hope and expect I will announce what steps we should take, commencing on Monday.

In dealing with this question you can be assured, and Newfoundland fishermen can be assured, that we are not taking steps which are going to directly affect the traditional inshore Newfoundland fisherman using traditional methods to catch fish, who is not a mobile fisherman and cannot move 50 miles, 100 miles or 200 miles to fish. I have that very much in my mind. That will be a principle of the action I intend to announce, hopefully next Monday.

In addition to the actions I will announce next Monday there will be other actions in the fisheries management areas announced from time to time. It makes it easier to understand the difficulty fisheries managers have when you see one of our scientists today saying, as quoted in the St. John's *Evening Telegram*, that: "The calculations of a scientist can be off by 25 per cent either way when they are calculating stock size." That is a fact. I have to try to manage the fishery being told one thing, which I recited to you in December 1991, and getting entirely different information seven weeks later.

S. O. 52

The Acting Speaker (Mr. DeBlois): Order, please. Your time has now expired.

An hon. member: He still has a minute.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for the member to continue?

Some hon. members: Agreed.

Mr. Crosbie: I am not trying to allege or suggest that there is anything wrong with the skills or qualifications of our scientists. It is just the nature of the beast that they are tackling. Present methods do not allow them to have a higher accuracy level than within these parameters which I have just quoted from the newspaper.

During the last several years we have put in place a number of programs, and will certainly be continuing the same kind of program, to try to help to diversify within the fishery and try to create employment and diversification outside the fishery.

A fisheries alternatives program is operated by ACOA. To summarize, since its inception in 1990 some 575 projects have been approved at a cost of $41.9 million creating 1,547 new jobs in the rural areas affected by the diminution of fish stocks. In the province of Newfoundland there have been 485 projects approved and 1,356 jobs created to try to take account of and replace those jobs that have been lost. We have an economic diversification program under the Department of Fisheries to try to assist diversification within the fishery which will continue. Under that program $19.1 million has been approved for various projects in 1990-1991 and 1991-1992 which has enabled us to keep operating fish plants in Canso and Burgeo and at Grand Bank. Hopefully there will be others. This program has assisted us in starting a number of new businesses in rural areas of Atlantic Canada and of Newfoundland. This kind of program will continue to assist while this particular crisis is upon us.

Mr. Speaker, I did not know I had taken longer than two minutes. This is a very serious problem to cover in 20 minutes. I hope you will excuse me if I have gone a couple of minutes over.

I am pleased to be the Minister of Fisheries and Oceans at this time. What is the point of being Minister of Fisheries and Oceans when everything is going swimmingly and there are no problems because even then on all sides you are assailed because of the conflicting interests in the fishery. But I am pleased to have the opportunity to help my fellow Newfoundlanders and Labradorians in this crisis. I will make every effort I can to resolve this crisis fairly and equitably and get all the assistance I possibly can from the Government of Canada in that direction.

I look forward to the help of my colleagues opposite in that task. Do not be too harsh in your criticism of the government, but keep the pressure on it for the future. What happened in the past or who made an error or a mistake or who was wrong—I can cite instances against the previous government and you can cite instances against this government. We have to keep our eye on the ball and see that the proper action is taken now to help our province through.

I am completely non-partisan in this matter. We have to keep our eye on the ball and see what we can do to help overcome the serious problem. It is not the end of the province of Newfoundland and Labrador. It is not even near the end. There are a lot of opportunities in Newfoundland and Labrador yet and we have to counteract this terrible miasma of propaganda and ignorance that has spread across the mainland in the last 10 days since our difficulties with Hibernia and with this particular news.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I guess it is a pleasure to participate in this debate tonight on behalf of the New Democratic Party and, in particular, on behalf of our critic in this particular field, the member for Nanaimo—Cowichan.

I find it a particularly important debate tonight because it is a debate about people, it is a debate about their livelihoods, and it is a debate about people in their communities.

People throughout Newfoundland and Labrador and, indeed, Atlantic Canada are watching tonight and hoping for some assurance from Parliament and from the Government of Canada that there is a message and a signal for the people of that area who have suffered so much. In fact, as important as this emergency debate is tonight, I wonder if the people of Atlantic Canada are not getting a bit tired of being the subject of yet another emergency debate and if it would not be such a bad idea

if maybe for once Atlantic Canada was not on the news because the news has not been good.

When we see the news from that particular region about the number of lay-offs and job losses we know how much that is hurting. We had the Hibernia project mentioned as well as Sears Canada in Halifax, 656 part-time jobs; Stone Consolidated; Dominion Textile in Yarmouth; Rio Algom, the list goes on. It is because of the approach, dare I say, we have had from previous administrations and this particular government in allowing the so-called free market to dominate. That free market is really supposed to determine with an invisible hand just what direction the economy is going to go. Piled on that are the problems in the forest industry. Tonight we are debating the fishing industry but piled on that are the problems from this government, the goods and services tax, free trade, and now the mention from the Government of New Brunswick about user fees in health care. The bad news piles up.

• (2050)

Perhaps people were hoping for something from the minister. I must say that I think there is some disappointment in his comments tonight. We were generous in allowing him some extra time. We are hopeful that his announcement on Monday will go some distance to giving some good news to the people of Newfoundland and Labrador and Atlantic Canada. We did not get any news tonight, we got a recitation of the problem. I think what the minister owed us tonight was a sense of his awareness and to give some assurance to the people on the east coast that the Government of Canada is concerned about their future.

We did not get that tonight so I think there is probably some disappointment. It raises the stakes, if you like, and the minister is very good at that. He is raising the stakes to see just exactly what kind of news he gets or he can provide on Monday. Let us hope it is some good news.

All we have to do is look at the importance of the fisheries resource in Atlantic Canada, and in particular the northern cod resource in Newfoundland and Labrador. We are talking about some $700 million worth of industry in 1991. The fishing industry supports some 31,000 jobs in Atlantic Canada, 90 per cent of them in Newfoundland. The minister, in talking about it, said that is what made Newfoundland and Labrador. Well, we in other parts of the country understand that. It is the three "F"s I have talked about here—our farms, our forests and our fish. We come from communities that have relied on the three "F"s. Tonight we are talking about fish but tomorrow it will be about forests and the next day, on Friday, it is going to be about farms.

That is why this debate is so important, because in those people's homes tonight we are talking about their livelihood and their future.

I congratulate the member for bringing this debate forward tonight and I want to outline on behalf of our party, the New Democrats, the program we have developed. It is a quick, four-point program, and I would like to see how the minister measures up against that when he makes his announcement on Monday.

Of course all of this comes from the decision or the recommendation that the catch is going to have to be reduced dramatically or we are in serious trouble. We are in serious trouble now. We are not talking lightly. We are talking about a possible watershed, the future possible shutdown of an industry, and thousands and thousands of jobs.

This recommendation to the minister is not new. In 1988 the Canada-Newfoundland Inshore Fisheries Agreement had this to say: "That with few exceptions the fishery resources of the Atlantic have reached their maximum utilization and in some cases there is an indication that over exploitation is occurring". That comment was made in 1988.

In 1989 scientists indicated that their previous estimates of stocks strength were overestimated. They recommended a dramatic reduction be made immediately.

In 1990 Dr. Harris, who has been mentioned before, in a study commissioned by the government, confirmed what the scientists had discovered. Indeed, he stated publicly that "the reduction in the total allowable catch should move from 265,000 tonnes to 90,000 tonnes".

The crisis in the fishery was best expressed in a draft document circulated at the Atlantic Groundfish Advisory Council meeting on Monday. In 1991 the TAC for northern cod was set at 190,000 tonnes. Only 127,000 tonnes were actually caught. The inshore fishery was "the worst since 1976, with only 67,000 tonnes caught". Further evidence regarding the government and the previous government, when I referred to the 1983 Kirby report that had been mentioned previously, identified what the problem was.

I know tonight there is an attempt to set a tone that we were going to be non-partisan and not point figures. Fair enough. We will not point fingers but some have to accept responsibility.

The Minister of Fisheries and Oceans mentioned yesterday about 2,000 jobs—and that is a conservative estimate and about the future of how many people's jobs will be affected by this decision and by what he is going to say on Monday.

In fact, the First Ministers' Conference of 1989 was told that the collapse of the fishery could result in some 6,000 jobs that would be lost. In the case of Ontario, if we were to use the same measurement, we are talking about a loss of some 115,000 jobs.

The government's own Employment and Immigration Advisory Council in 1990, its vision and view of the Atlantic fishery said: "Hundreds of Atlantic communities will lose their only industry. Thousands of families left without adequate incomes will be forced to rely on welfare or to uproot their lives for the dubious promise of mainland wealth". That is from the government's own report.

Let us in the short time we have tonight take a chance to review the four-point plan that our party, the New Democrats, is suggesting. I know the minister will take notes on this and I hope we can measure that against his announcement on Monday.

I preface that outline with the comments that were made just yesterday by our party's leader in Newfoundland and Labrador, Mr. Newhook, who called on the Prime Minister to take a personal initiative in the face of this worsening situation.

It has been mentioned earlier how the Prime Minister when he has a problem at hand gets directly involved. In some cases he just calls George and they straighten out the problem.

Look at the problem we have now. It is time for the Prime Minister to take that personal initiative, to take hold of this problem and address it immediately, and for this government to address the problem of the northern cod fishery immediately.

What are we taking a look at in the four point action plan? The first point, and perhaps the most important point, is that this government should move immediately to assume fisheries management jurisdiction over the nose and tail of the Grand Banks effectively terminating foreign overfishing. We have a main reason for that.

We are talking about the conservation of a resource. It is an environmental emergency. Measures should be taken. We take up and accept the offer and the suggestion made by the minister of fisheries in Newfoundland and Labrador that this minister should give the international community its notice that as of January 1, 1993 Canada will take charge of that particular area.

That is the message that should be delivered in Brussels. This country has a moral obligation to restore not only the fish stocks but also to ensure the future viability of Canadian fishing communities.

If Newfoundlanders and Atlantic Canadians are prepared to make the necessary sacrifices, they must not be asked to bear the burden while foreign fleets continue to operate with impunity.

We should treat this as importantly as Canada has treated the debate about Arctic sovereignty. This government has not done the best of jobs in taking care of our sovereignty in the Arctic, but it has done virtually nothing to take care of sovereignty in this particular area. That is most important. That is the number one part of an action plan to resolve this problem.

The second point is that we must define the priorities for the future and what kind of fishery we want. Will it be corporate based or community based? If we choose the latter, we must move in conjunction with industry, labour and the provincial governments. The minister has mentioned that, putting in place the long-term strategy to achieve that objective and developing new fishing technologies which are not destructive of the ocean's ecology. A strategy which has as its premise of sustainable development.

• (2100)

There are fine words in the government's green plan about attempting to deal with the fish stocks.

I do not know if the minister has read the green plan. Perhaps he should take a second look at it to see that even the goals in this plan are upheld, because if we continue at the pace that we are going, they will not be. We will be in even greater trouble.

The third part of the action plan is to ensure and to watch that those communities, those people in those homes who are watching tonight at the very least, at the bottom line as Mr. Newhook said in his comments, get assistance to take care of those people who may lose their livelihood. Let us hope that that is not the case. As a bottom line, that is government's job as I see it.

In recognition that the offshore fishery could be shut down with job losses reaching between 3,000 and 6,000 people, the federal and provincial governments must be prepared to bring forward programs, perhaps on a level not seen before, of ensuring that thousands of families are not forced to go down the road in search of a future.

There is an old adage about how in war we always seem to be able to find the money, the energy and the effort. During the recent gulf war this government mobilized some $650 million for a six-month period. Under the adjustment program of this government we are talking about a figure of some $584 million over five years in five provinces.

If this is not a national emergency, it is one the government must put the same effort into to mobilize economic resources and government resources to ensure that the people in those fishing communities in particular are guaranteed and do have a future.

Those people want to make a livelihood in the fishing industry. They want to live in their homes and their communities, and they want to have a future there.

The fourth point in the New Democratic action plan is an important one. It is a point that is especially important given some of the debate now on the Constitution. It relates, of course, to the questions around the economic union and some of the necessary rules and regulations that may be needed to protect some of those resources themselves.

We suggest close examination of that particular part of the constitutional package that will give some of those provinces some ability to ensure that they can manage those cases themselves.

In proposing and making suggestions tonight, we spent some time laying out some thoughts so that we have something to measure against what the minister will have to say on Monday.

We have taken this debate seriously enough to consider and lay out some suggestions and not to use the opportunity just to point fingers and blame Conservatives who perhaps duly should have that blame.

In conclusion, in this very important debate we are having tonight about just how important this issue is to Newfoundland and Labrador and to Atlantic Canada we must take a look at the people and their future there. That is my interest in this debate because it is an interest that I think is from coast to coast to coast.

How do we deal with those people who live in resource communities, dependent on our farms, our fish and our forests, if we continue to be the hewers of wood and drawers of water, we will always be or seen to be certainly under Canada–U.S. free trade?

We have talked about the fisheries resource but there is another resource. Perhaps it is the most important resource of all. I am talking about the resource of our people in Atlantic Canada.

As an example, I spoke tonight about young people. Of the pages who serve us in this House tonight, there are some nine who are from Atlantic Canada. I talked to a few of them tonight about their future. Do they have a future? Will they go back home to Atlantic Canada?

I think that is a message that we hope they will take in earnest, that they will go home, back to Atlantic Canada and help develop that area. I know that is a difficult one for them. It is a difficult one for all the young people of Atlantic Canada and it is difficult for everyone in those communities.

I encourage and hope that the minister, when he makes his decisions on Monday, has those communities

in mind and makes sure that he makes the right decision for the people of Atlantic Canada and the right decision for the people of Newfoundland and Labrador.

Mr. Dingwall: On a point of order, just to forewarn the Chair that under Standing Order 43(2) members of our party will be dividing their time accordingly, 10 minutes each for the remainder of the debate.

I hope that the Chair will recognize that my colleague from Newfoundland was the individual who moved the emergency debate and I hope that the rotations will be in accordance with that.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I am pleased to have an opportunity to rise and participate in this debate this evening.

I would like to thank you, Mr. Speaker, for making possible this emergency debate on a topic that is critically important to the people of Atlantic Canada. Indeed, as has been said by some other members here, this should be a problem and concern for all Canadians.

I want to address five points in my remarks tonight. I want to talk about what has happened. I want to talk about why it has happened. I want to talk about who is to blame for what has happened because we have heard much about that. I want to talk about what we can do about it and a little bit about what we should not do about it.

Quite clearly, the single most important fishery stock on the east coast of Canada is in very serious trouble. In Atlantic Canada 35,000 jobs depend upon that stock and it is a grave, serious situation, particularly for the province of Newfoundland and Labrador, but also I should say for other provinces in Atlantic Canada, including my own and including the province of Quebec.

But we should not over-dramatize the situation. Not all fishery stocks in Atlantic Canada are in trouble, not the whole fishery in Atlantic Canada is in trouble. Indeed, many of our fisheries have never been in better health than they are right now and let us not over-dramatize the situation. Let us focus on what, in fact, is the problem.

The scientists have said that they miscalculated. In 1988, at the time when the TAC for northern cod was at 266,000 tonnes, they came to the minister of the day and said: "Minister, somehow the numbers are not correct". They urged a vast and an immediate reduction.

The minister immediately reduced that stock to 235,000 tonnes and called upon a special task force to do a serious study of the situation to try to assess what it should be.

Dr. Harris and his colleagues reported and in consequence of that report the stocks were further dramatically and substantially reduced by the minister of the day. I might say it was not with the overwhelming approval of my hon. friends opposite, many of whom criticized the minister of the day and said: "You are putting people out of work". The minister of the day knew that.

Once again the scientists have come to the minister of today and have said: "You have to reduce that stock immediately by 25,000 tonnes over the next few months". In effect they have said: "Close the offshore northern cod fishery until June and then we will have a look at it and see what is going to happen".

That is a serious situation. It is going to directly impact at least three plants in Newfoundland and possibly one in my own province of Nova Scotia. It is going to mean up to 2,000 people, plant workers being laid off. It could mean up to 400 trawlermen being laid off. We have already just last week had 1,000 people laid off by FPI at Catalina. It is a serious situation and we have to ask ourselves: How did we get in this situation? I have heard my hon. friends opposite.

• (2110)

The hon. gentleman who opened the debate tonight said the whole thing is the Prime Minister's fault. Is it not interesting? Everything that happens in this country seems to be the Prime Minister's fault.

Last year the fishery in the Newfoundland was devastated because of ice. I suppose that was the Prime Minister's fault as well. Let us take a look. There is all kinds of blame to be shared by those who are less interested in solving the problem and more interested in determining who is to blame. Let us look at who is to blame.

An hon. member: The Prime Minister is.

Mr. McCreath: There is climate. There is the food chain, seals, fishing technology, inaccurate scientific data, foreign overfishing and yes, maybe there is bad

management, but we will come to that and draw our own conclusion when the time comes.

Let us look at climate for example. Everybody knows that 1991 was the most extraordinary year for bad weather and ice conditions in Newfoundland's history. We heard the hon. member for Labrador yesterday talking about the community of Black Tickle where not a single fish was caught in 1991.

Mr. Simmons: I recognize that my friend from South Shore was not in the Chamber when the debate began and when the minister of fisheries and I spoke, so he might not have captured the spirit of the debate. We are here looking for some answers.

Could I appeal to him not to turn this into a circus because it is a very serious issue affecting a lot of people in my riding and elsewhere.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. DeBlois): I do not think that was a point of order. The hon. member for South Shore has the floor.

Mr. McCreath: As I said, I certainly would love to avoid partisanship here, but I was at Question Period today and yesterday, so let us talk about what I was talking about.

I talked about the ice conditions and climate being part of this problem. We have to recognize that.

An hon. member: Well do something about it.

Mr. McCreath: I think my hon. friend from Burin—St. George's ought to talk to his colleagues over there.

Let us talk about the capelin stock. Cod fish feed on the capelin. The capelin stocks have been very low. As a matter of fact in the 1991 season, the Russians had difficulty finding any at all and they are the only people who have ever fished that capelin. The reduction in their catches had nothing to do with overfishing because they have never had a quota that exceeded 13 per cent of the TAC of capelin. Capelin has always been a variable stock but it has always been a harvestable stock and there has been plenty of it. Why the disappearance in 1991? Quite simply, we do not know. Perhaps it had to do with cold water. Perhaps it had to do with unusual distributions. The bottom line is that for whatever reason the capelin is not there, and that has obviously impacted on the cod stocks.

Ms. Campbell: Blame it on the seals.

Mr. McCreath: Then we come to the seals. The member for South West Nova wants to talk about seals. It is interesting that scientists say they do not know what the score is on the seals and what impact they have. I will tell you the fishermen know. The fishermen in my area can tell you about seals and the fishermen in Newfoundland can tell you about seals. The fact is that in 1983 the Europeans destroyed our seal hunt. I cannot remember who was in government then but perhaps my hon. friends opposite can. The seal population at that time was about 2 million. Today it is 3.5 million because the seal hunt was destroyed.

It is said that the average seal eats 1.5 tonnes of fish per year. If you multiply that out it means that the amount of fish eaten by seals increased by 1.8 million tonnes per year, or 3.6 billion pounds of fish. That has to have something to do with why cod fish stocks are down.

Fishing technology is another possible factor. The fact of the matter is that our fishermen are a lot better than they were because they have better technology. It is not that the fishermen of today are any more skilled than the fishermen of days gone by. They have better equipment and can find the fish a lot easier than they could then. So naturally their harvesting effort is a lot more productive. This has to be a factor in the situation.

Then we can talk about scientific advice. If you are in government it is an easy thing to blame the scientists for wrong advice. It is true the minister can only act on the advice he is given and if he is given bad advice it may well lead to bad decisions. The fact of the matter is that it is not fair to blame the scientists. This is a very difficult challenge. This government, through its commitment to dealing with this problem, has more than doubled the amount of money made available for science in studying the northern cod stocks. The bottom line is there will never be enough resources. The only way you can ever count the number of cod fish in the ocean is to drain the ocean and count them. It is not really practical to do that. You cannot blame the scientists. You have to recognize that it is always going to be an inexact science and at best it is going to be a difficult challenge.

Then we come to the next possible villain and we are getting down to the core of it here. We are talking about the impact of the Europeans in overfishing. There are two issues of overfishing that are significant. I am afraid that some of my hon. friends, having heard what I have heard in this House for the last couple of days, get very confused about the impact of foreign fishing in the North Atlantic on the northern cod stocks. There is fishing that goes on inside the 200–mile Canadian zone and there is fishing that goes on outside the 200–mile Canadian zone. The difference is that we control what goes on inside. We are accountable unequivocally and unquestionably.

We have had the destruction, or the apparent destruction, of the 2J–3K–L cod stock which is a trans–boundary stock. Where is the problem there? We hear my hon. friends opposite speak about the vessels that are licensed to fish inside Canadian waters. We have heard some suggest this is the source and cause of the problem. Let us take a hard look at it. How many tonnes of cod fish are Europeans licensed to catch inside the Canadian 200–mile zone? The answer is 2000 tonnes. This stock has declined from the point where the TAC was 266,000 in 1988. The minister is now being told to drop it somewhere into the low 100–plus tonnes, and we have 2000 tonnes allocated to the French. This is supposed to be the source of the problem. Well, no, not at all.

Our hon. friends talk about allocations of witch, plaice, and various types of flounder. This apparently is the source of the problem. That is not the source of the problem. Interestingly enough, the foreigners were licensed some years ago to come into our waters. It was in the period of 1981 to 1986 that the EC was given a long–term agreement which gave it access to 45,000 metric tons of northern cod over five years. In 1972 the government of my hon. friends opposite made an allocation of three million metric tons of cod fish inside the gulf to France in a five–year period.

This government had the wisdom to conclude an interim agreement to France that brought the rampant cod fishing by France under control to the point that this year France will probably catch less than 2,000 tonnes. My hon. friends opposite may wish to talk about foreign vessels fishing in Canadian waters as the problem, but the reality is it has absolutely nothing to do with the northern cod.

I might just say, as a digression, that foreign vessels inside Canadian waters are very much to the benefit of Canadian fish plant workers. Ask the people in Canso and Burgeo. One thousand Canadians are employed because of the deal made by this government to exchange silver hake and capelin for cod fish. That has put Canadians back to work. Is it the policy of my hon. friends opposite that those fish plants in Canso and Burgeo should be closed? It is the same with respect to silver hake allocations under joint agreements between Canadian and foreign companies which make use of resources that Canadians would leave in the water, provide a market for Canadians to sell fish back to those foreigners, and provide work for Canadian fish plant workers. No, the problem has nothing to do with the licensing of foreigners to fish inside Canadian waters.

However it has a great deal to do with illegal, rapacious, unenvironmental, and destructive fishing by Europeans outside the 200–mile zone on the 2J–3K–L cod stock. One need only look at the level of non–co–operation that has come from the Europeans. Although they are members of NAFO, each year they ignore the NAFO assigned quotas. They unilaterally give themselves a quota and then proceed to go out and catch every cod fish they can. The story is that in 1991 they caught upwards of 47,000 tonnes of fishery for which they were assigned a quota of absolutely zero.

I find it shocking that European environmentalists have the gall to talk about environmental problems in Canada, to talk about whether or not we harvest seals, to talk about how we harvest our forests, and they look the other way. I have talked to Greenpeace and parliamentarians in Europe. They look the other way at this environmental problem. We as Canadians should not be talking about what this government or the government in Newfoundland did or anything else. We can all stand united on the issue that this is outrageous and unacceptable.

• (2120)

The question is, can the Government of Canada do anything about it?

Some hon. members: Of course they can.

Mr. McCreath: My hon. friends opposite say of course they can. Well the government can meet with the Europeans and say this must stop. It can work with them co–operatively and try to persuade them, but the bottom line is that if it is international waters, it is their right to do whatever they want unless there is co–operation. My

hon. friends opposite have suggested we should ignore the International Law of the Sea Convention of 1973. We should throw away our 200-mile zone and unilaterally say that we are moving out and taking over, just as Saddam Hussein did with Kuwait. He said he was moving in and taking over. He had no legal right to do it but he did.

My hon. friend opposite from the NDP suggested we should unilaterally push it out. There is no international law that allows it. We face the possibility that the rest of the world will revoke recognition of our 200 miles and come in and take it all. Or maybe my hon. friends opposite say the solution is to send out the navy and start sinking ships. Is that what they are suggesting?

We have to deal with this in a realistic practical way. There are many people who can be blamed for this problem if you want to. If you want to ignore all those reasons I have given and blame the minister of fisheries or the Prime Minister go right ahead. But having done that ask yourself: How do we solve the problem?

I want to tell you the first way to solve this problem is by having a minister of fisheries and a government that has the courage to do the right thing and see that those stocks do come back. They must have the courage to face up to the fact that we are going to have to close down that fishing for some period of time. They must also have the courage and integrity to put programs into place that are going to help these people get over this time as they have done before, as they did last year with the ice problem and as they did when they brought in the Atlantic Fisheries Adjustment Program with $584 million. To my NDP colleague that is a pittance, but it is a lot of money to us and has created jobs in my riding, in all of Nova Scotia, Newfoundland, and other parts of Atlantic Canada. That is the kind of proper, intelligent, courageous response.

I look to this minister to show leadership in dealing with the seal problem. We are going to have to tell the Europeans that maybe it is time we started shooting more seals. That is the only way to deal with the problem and if they do not like it that is their problem. We are going to have to get more aggressive with the Europeans.

Perhaps it is time for us to react in the Icelandic way and go out there and rough them up a little bit if that is what it takes. It is not the proper thing to do, but we have to protect the Canadian interests.

Now what should we not do? There are two things we should not do. We should not panic. We hear people across suggesting we should panic about this, that Atlantic Canada is collapsing around us and it is "woe is me" everywhere. This is not the case. We have a serious crisis and a serious problem with one fish stock that impacts greatly on Newfoundland and to a lesser extent on other areas. This government must deal with it and this government will deal with it, but we do not want to take the entire fishery. Let us not take the silver hake plan let us not take the turbot plan let us not deal with tuna or lobsters. Those things each have their appropriate place. They are developing as fisheries. They are going to create jobs for Atlantic Canadians in the future as they have in the past.

We have a problem with northern cod. We must deal with northern cod. Thank goodness at this time in our history we have the minister we do today. He is a man who is sensitive to Newfoundlanders and to Atlantic Canadians, a man who is intelligent and understands the issues and the complexities of the fishery. He is a man who has the courage to do what is right, a man who has the ability and toughness to stand at the cabinet table, a man who is not afraid of the opposition or the labour unions. He is a man who is going to solve this problem for Newfoundlanders and for Canadians.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I have listened to the speeches that have been made here tonight. I want to congratulate my colleague from Burin—St. George's. I also want to thank the minister for the information that he has passed on. The member for Prince George—Bulkley Valley spoke a lot about the fishery. I am not really sure what he said.

I could have sworn that the last speaker from South Shore was speaking from this side of the House. He had a lot to say about the ills of the fishery. He hit the problem which has been skirted around for the last few minutes, but then he did not say what he could do about it. I have to remind him that he is on the government

side and it does have a responsibility for taking some action.

I do not take any pleasure in talking here this evening. Normally I do in this House. There are any number of subjects that I would rather speak on.

I want to put a human face on this. I want to speak directly to the problem and I want to suggest a solution. The human face is that I come from a riding which I boast is the biggest fishing riding in Canada. I have not been challenged on this yet. The fact of the matter is I have 57 fish plants. Two days from now on Friday evening the largest plant and one of the most up to date, if not the most up to date plant, is going to close. Eight hundred and fifty people are going to walk out that gate, 155 trawlermen are going to stop work, and they expect to go back in anywhere from two and a half to three and a half months. I hope they will but they are not sure. Their company is not sure and I am not sure.

We are talking tonight about the northern cod stock, 2J-3K-L, that forms a large percentage of the Newfoundland fishery, of the Canadian Atlantic fishery. Yes, there are variables, all kinds of them, plus or minus 25 per cent the scientists tell us. The Labrador current will change. The temperatures will change. The fish migrate.

I want to talk about one aspect. It is the aspect that causes me the most frustration but it is an aspect for which we have the figures and it is an aspect about which something can be done. I have made—I counted them tonight before I came here—20 speeches making that recommendation. You have heard me make some of them, Mr. Speaker.

These are the figures. The northern cod stock until about the 1960s was basically caught by the inshore fishermen. Because of technology and the size of trawlers and those kinds of things the catch of that particular stock of cod reached a peak in 1968 when 815,000 tonnes were caught.

I would remind the House that one tonne of fish works out to about 35 jobs. Every time I say one tonne, it means 35 jobs.

Last year we went from 815,000 tonnes to 127,000 tonnes. That is a reduction of 85 per cent. There are any number of reasons why this happened. I want to take one aspect and that aspect has to be a large part of the problem.

We have talked about NAFO, we have talked about the European Community, and we have talked about overfishing. Two years after this government came to power an allocation of 9,500 tonnes was made to the European Community. It took four and a half times that amount, 30 per cent of what the Canadians took. The next year it had another allocation of 9,500 tonnes and it took 20 per cent of what the Canadians took, 35,000 tonnes. The next year it had no allocation and it took 26,000 tonnes.

What was the government doing about it? Up to now, nothing. The member for Gander—Grand Falls was complaining about overfishing. This government denied there was a problem.

Let me take you to the next year, Mr. Speaker. There was no allocation and they took 35,000 tonnes. What did the government do? It started to talk. It started to enter into diplomatic discussions. It started to send politicians off to the European Community.

Last year, and we you have heard the figures before, the European Community with no allocation caught 47,000 tonnes, the second largest in 15 years, a 100 per cent increase from the year before, while Canadian fishermen took roughly 50 per cent of what they took before, 127,000 tonnes.

• (2130)

The conclusion is that we have known figures. We do not need the scientific plus or minus 25 per cent. We know we have a problem and we know we have to do something about it. Time has run out. Time has stopped for talking, cajoling, coaxing and diplomatic missions. The time has come for the Prime Minister to get personally involved and for this government to do something about it.

The hon. member for South Shore said that you cannot just go outside the 200 miles and do what you want. I would remind this House that in my lifetime, the control of the ocean has gone from three miles, because that was the range of a cannon, and when a cannon became obsolete it moved out to 12 miles, because that was the range that high definition warning radar could pick up an average vessel in a certain sea state—I think it was sea state 3—and then it moved out to 200 miles

because people found that there were nodules, there was oil, and there were lots of fish out to that limit, generally speaking, the continental shelf of most countries.

Canada happens to be the second largest country in the world, with the world's largest continental shelf.

When the limit was three miles it was said that we would never be able to get beyond that. We are out to 200 miles now. Anybody who says that cannot be done does not understand international marine law, or does not particularly want to. The difference between international marine law and civil law—the Saddam Husseins and taking over another country—is that it has been recognized that unilateral action creates a precedent in international marine law and it can be done providing there are certain things that accompany it.

First off, there has to be a good reason and when you are looking at the livelihood of a section of your country, then I think that is a pretty good reason.

You have to be able to support it and enforce it. I would suggest that with the record that our navy had in the gulf war—it had 3 per cent of the force and it did 25 per cent of the interdictions— it is quite capable of enforcement. Then you have got to send your bureaucrats and your politicians out to speak out on this subject. Then, you have an action plan. You are doing something about it.

This is not the first time the minister has heard this. It is not the first time members have heard it. I have mentioned it 20 times in this House. Dr. Harris of the Harris report mentioned it in recommendation number 5. It was a Liberal policy platform, page 22, recommendation 10, in 1988. Premier Wells is now saying it; Mr. Carter, the Minister of Fisheries in Newfoundland, is saying it; Mr. Cashin, the head of the Fishermen's Union in Newfoundland, is saying it; and pretty soon everybody will be saying it except the government. When will it be able to say it? What is it afraid of? Why will it not do it?

In 1948 the Truman declaration was a unilateral declaration for the United States to take control of their mineral rights and fish out to 200 miles. It took a while for it to take effect. In 1974 a little country, Greenland, with a minuscule navy, took on the Royal Navy, the British Navy, and won its case in the International Court of Law, by a unilateral declaration because somebody else was catching the fish that caused the livelihood of its people to shrink. Canada did it in 1977.

So we are not inventing something here. We are not doing something that has never been done before. We are suggesting a precedent that has precedents in law, can be done, has been done, and should be done.

As I wrap up my thoughts here this evening, I find it very hard to explain why the government that has a problem, knows what the solution is, is not doing it. I find it very hard to explain to the plant workers in the FPI plant on the border of Port Union and Catalina that this action is not being taken, an action that could ensure that they go back to work and that they will not be on unemployment insurance, and the other 56 plants in my riding, will not be taken.

With all the enthusiasm that I have, and I know that I am joined by my party in this, we are urging this government to pack up the nonsense, to get rid of the fuzz, stop the talking, and let us get on with some action to do something that is meaningful, helpful, and will help save the lives and the dignity of those people who are affected.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I want to begin by thanking the Speaker of the House of Commons for recognizing, at the request of the member for Burin—St. George's, that the situation in Atlantic Canada, specifically the situation confronting Newfoundland and Labrador, is indeed an emergency.

It is an emergency that requires the attention of the House of Commons of Canada. It is an emergency that can be defined as being in the national interest. It is an emergency that justifies the quite extraordinary, and Canadians should realize the unusual and rare decision of a Speaker to grant a request by a member for the holding of an emergency debate.

It is important to point that out because it seems to me that in very large measure what we, from Atlantic Canada, and we from Newfoundland and Labrador, have to face every time we debate this matter is the disbelief, the misunderstanding in many quarters and regrettably too often in this House, certainly sometimes across this country, that the fishing issue, the question of the 200-mile limit, the responsibility for conservation of the

fish stock, the responsibility for policing, patrolling and managing Canadian waters is not a regional issue.

It is not a Newfoundland issue. It is an issue of national interest and national importance. It is an issue that speaks to and defines in part the sovereignty of a nation. Tonight we are not speaking to fishermen, to plant workers who feel in great peril in their homes. Tonight we are speaking to our fellow Canadians and we are asking our fellow Canadians to bring the moral weight of their intrinsic sense of what is right to bear on a government that has refused to stand up and be counted for the fishermen and plant workers, for a way of life in Atlantic Canada.

Do members realize what it means when we say that the northern cod stock has collapsed as dramatically as it has, when we say that some 2,000 jobs in this industry are going to be immediately and directly affected by management decisions that are going to be forced on the minister of fisheries, when we say that it is the equivalent of an announcement from the province of Ontario that one-third to one-half of the entire auto industry had shut down?

Can we begin to even imagine the response and the reaction across this land if tomorrow the Premier of Ontario announced that one-half of the entire automobile industry of Ontario had gone down the chute?

This Parliament would find itself sitting around the clock day in and day out to deal with a national emergency, because that is what it would be. The economic consequences for Atlantic Canada, and in particular for Newfoundland, are no less when we say that the Atlantic cod stock, the northern cod stock, has collapsed.

There were 31,000 jobs in Atlantic Canada dependent upon the northern cod stock. The northern cod stocks make up 46 per cent of the entire cod stocks of the east coast of Canada.

In 1988, the quota for northern cod was 266,000 metric tons. By 1991, that quota was down to 185,000 metric tons and the fleet was only able to catch 127,000 metric tons. In the same year, the foreign fishing effort resulted in a doubling of the foreign catch. They are catching 20,000 to 47,000 metric tons.

• (2140)

The destruction, the wanton, deliberate destruction of the Atlantic cod stocks, in particular the northern cod stock, is every bit as great a criminal environmental action as the wanton, knowing, and greedy destruction of the rain forests. It is exactly the same because the nations that go out and deliberately overfish on the nose and the tail of the Grand Banks, that wantonly destroy this resource belonging to all mankind for greed and profit in one year, are the same hypocritical nations that stand up in the world-wide agencies, in the UN, and cry about the destruction of the rain forests. Those are the same hypocritical nations, members of the EC, that stood up and banned the seal hunts off the east coast of Canada because they were people of great conscience. They are not people of conscience. They are people of greed and their principles can be bought and sold.

It is time that the Government of Canada understood that the destruction of those cod stocks is a national issue. It is in the national interest. It is time that this government is prepared to upset some of our so-called trading partners. It is time that we are prepared to establish linkage between good behaviour in the cod stocks on the nose and tail of the Grand Banks and a good relationship with Canada in other matters.

I will tell you what Atlantic Canadians feel. More than that, I will tell you what they know in their gut. They know that they are mere bits of plastic to be shuffled around on the world-wide Monopoly board. They know that they are expendable. They know that the government is fully aware of the criminal activity of nations fishing outside our waters and they know that the government is prepared to do nothing because this government has put the interests of Newfoundland, Labrador, Atlantic Canada, and the people on the east coast of this country secondary to other trade interests. That is the reality. That is a form of second-class citizenship that we will not accept in Newfoundland and Labrador.

Earlier tonight the minister of fisheries asked that we on this side of the House be generous in our response. I will tell him that in the area bordered by 2J-3K-L in my constituency people, some living two families to one house so they can save a few dollars, do not have any room for generosity.

In the small communities of northern Newfoundland and Labrador, and on the south coast where my colleague's constituents have seen their plants close, nobody can afford generosity for the member of St. John's West. It was that member who, for his time as minister of fisheries and before his time as minister of fisheries, stood in this House repeatedly and ridiculed the efforts of members on this side to point out that foreign overfishing was destroying the cod stocks off Newfoundland. Every time the member for Gander—Grand Falls stood in his place, or the member for Labrador, in all the years between 1984 and 1985 and said: "my God, open your eyes", the member ridiculed the representations of those members of Parliament. Since 1988 the member for Burin—St. George's, the fisheries critic, the member for Bona Vista—Trinity—Conception, have stood in their places and spoken up for Newfoundland and Labrador and the member for St. John's West has ridiculed their efforts.

I do not feel generous tonight. I do not feel generous. The people of Newfoundland and Labrador who suffered one blow after another in these last two weeks do not feel generous. They cannot afford to feel generous because they are preoccupied with putting bread and butter on the table and keeping a roof over their heads.

I concur with my colleagues. The government must finally prove that it has more than good intentions when it comes to the proper management of fish stocks, that it has more than a warm wish and warm feelings when it comes to the people of Newfoundland and Labrador. This government must stand up and take the action required, the one described by my colleague from Bona Vista—Trinity—Conception, an action that is born out of a will to unilaterally extend Canada's jurisdiction over the nose and tail of the Grand Banks. That is what this government must do. I will tell you what else it must do. It must acknowledge that the destruction which has been wrought upon this stock will not be quickly repaired. It must acknowledge that the management measures which will be put in place to restore this cod stock, because that is the minister's responsibility, are going to take three, four or five years.

It must acknowledge that people are going to be displaced from their livelihood for that entire period of time. As a result of the fact that those people are innocent, they were not the managers of this stock, the government must commit itself to seeing that they survive this time of tragedy brought about by the incompetence, mismanagement and cowardice of the government opposite.

[*Translation*]

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I welcome this opportunity to comment on a matter that is extremely important, since the problem facing the Atlantic provinces today is a problem that Quebec and the gulf must cope with as well.

I will share my speaking time with the hon. member for Bonaventure—Îles-de-la-Madeleine.

According to scientific data released this week by the Atlantic Fisheries Scientific Advisory Committee, northern cod stocks have dwindled considerably. The total biomass, estimated at 1.2 million tonnes in 1990, is reported to have dropped to 780,000 tonnes in 1991, while during the same period the spawning population fell from 270,000 tons to 130,000 tonnes.

Northern cod represents the most abundant groundfish stock on the east coast. It provides a living for 31,000 Canadians working in the fisheries and processing sectors. Cod catches have been dwindling rapidly since 1988, and in 1991 inshore and offshore fishermen caught scarcely two-thirds of their quotas.

CAFSAC has recommended that the total allowable catch be substantially reduced. It will be cut by 25,000 tonnes for the first six months of 1992, which means half the volume taken during the same period in 1991.

The effects of a dwindling resource are already being felt. A lack of northern cod during the winter closed down one Fishery Products International plant in Newfoundland, resulting in 1,000 lay-offs and forcing 11 vessels to remain in port.

On Monday the minister of fisheries met with representatives of unions and industry and with his Atlantic counterparts.

Tomorrow and on Friday we will have bilateral talks with representatives of fishermen's groups and the provinces in St. John's.

Immediately after these meetings, decisions will be made and probably next week, measures will be an-

nounced by the government. The government's plan of action will be guided by specific objectives: first, to strengthen the scientific base and reinforce measures to deal with violations, in order to provide for better management and protection of this capital resource; second, to help the communities, fishermen, and plant workers affected by these events; and third, to continue the all-out campaign to stop foreign overfishing.

A number of unique programs have been set up to restore fish stocks, make scientific surveys, and intensify surveillance and enforcement.

The government has already launched a series of major programs to facilitate Atlantic Canada's adjustment to changing circumstances.

The government's latest initiatives include the Atlantic Fisheries Adjustment Program which includes a plant workers adjustment program and a scientific program on northern cod, the Quebec fisheries federal development program, the Atlantic fisheries assistance program, and the compensation program linked to ice conditions.

AFAP, a five-year program with a budget of $584 million, was launched in May 1990. It includes a series of initiatives and concrete measures designed to ensure the lasting viability of the fisheries and help Atlantic Canada adjust to the drop in fish stocks and cuts in groundfish quotas.

• (2150)

Since the AFAP was implemented, operational activities have been started in many areas. Mr. Speaker, the Standing Committee on Forestry and Fisheries, which I chair, will start reviewing the program's activities a few days from now. Yesterday, we had an initial meeting with opposition critics.

The Quebec fisheries federal development program was announced in the summer of 1990. The overall objective of this program is to provide for the lasting viability of the fisheries industry under the jurisdiction of the Department of Fisheries and Oceans in this province. The program has four components which focus on marketing, processing, operations, research, and infrastructure.

There have been several major achievements since these programs were implemented. For instance, new data were produced for evaluating stocks of northern cod, Scotian shelf groundfish, gulf crab and cod from the northern part of the gulf.

Considerably enhanced surveillance and enforcement has increased compliance with all fisheries regulations by Canadian and foreign fishermen. Compensation was paid directly to fishermen and plant workers affected by poor catches, ice conditions, and plant closings. Financial assistance was given to companies and individuals to enable them to diversify operations in the fisheries and other sectors.

Under AFAP, the federal government entered into agreements with the Governments of Newfoundland and New Brunswick, and it is continuing negotiations with the Government of Nova Scotia.

In 1991, as part of its measures to compensate fishermen affected by poor catches and ice conditions, the federal government injected $57 million into the economy of Atlantic Canada, part of which was taken from the AFAP budget. These two initiatives have helped cushion the impact of the worst ice and marine conditions ever registered throughout the region, and the impact of generally poor catches said to be due to abnormally low temperatures.

Under the compensation program for ice conditions, between May and October 1991, $18 million was paid to fishermen who were unable to leave port because of ice conditions. Mr. Speaker, since 1986, EC fishermen have exceeded by more than 400,000 tonnes the quota set by NAFO for cod stocks on either side of the Canadian 200-mile limit in the Northwest Atlantic.

In this respect, we have been very active before all international tribunals to support our case against foreign overfishing. The problem is not as easy as all that, unfortunately. Overfishing is significant, but what about the seals who feed on both capelin and cod? However, fishermen can rest assured we will do all we possibly can to deal with this situation.

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I hear a lot of noise from the other side of the House. I hope that it is because of the position our government is taking for Newfoundland fishermen.

[*English*]

Let us look at the situation we have. I concur with my colleagues from Newfoundland when they say: "It is a problem for Newfoundland". It is. It is also a problem for Canada and myself as a Quebecer.

[*Translation*]

As a Quebecer, as a Canadian, as the member for Bonaventure—Îles-de-la-Madeleine, I am with the Newfoundland fishermen today in everything that has to do with fishing in our area, the Gaspé peninsula, and everything to do with Newfoundland because they are our fishermen.

[*English*]

For the people who are listening tonight, as has been mentioned before this is not a political debate of the decision the minister of fisheries must make. We have to live with reality. I would hope the decision the minister of fisheries will be for the fishermen of Newfoundland and Newfoundlanders especially but also for the east coast fisheries. The time has come many times over. If I understood the initial speaker on the opposition side, the first minister of fisheries was John Cabot. He did not have the social programs and the network that are in place now. We can blame former governments or we can blame the present government, but that does not do any good. The fishermen and the workers in the fish plants have to be treated not from the past but from today and tomorrow. We will do that. I have confidence.

I am sure, Mr. Speaker, you realize that there are two very difficult jobs in this great land, of course with all respect to the Prime Minister. There are two difficult jobs: that of the Minister of Finance who brings a budget down once a year and spends 11.5 months or whatever defending it, and that of the minister of fisheries who has the most difficult job in this land.

Again I say as a Quebecer and as a Canadian that we have problems in Quebec and in Newfoundland, but we must work together. The west coast has different problems. The Minister of Fisheries and Oceans has the most difficult portfolio that anyone would ever want to have. I am honoured to be on the government side and to be able to work with a gentleman and a competent person in the name of John Crosbie.

Let us look at the problem we have in this debate, as I mentioned, and what has happened in the past. A decision is going to be made: Do we agree with our scientists?

[*Translation*]

I said before that we are only 295 elected members in the House of Commons; however, we have 300,000 public servants who represent us, who administer our programs throughout Canada, in all the provinces and territories. But what is important for us, and I believe that the minister of fisheries pointed it out, concerning research and information—

The Acting Speaker (Mr. DeBlois): Just a reminder. The Standing Orders do not allow mentioning members by name. Since it is the second time, I would remind the hon. member to refer to members by their riding or their department.

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Thank you, Mr. Speaker. So for the Minister of Fisheries and Oceans, with the research that has been done, with the people, the officials who work for us, of course, to save the fisheries in Newfoundland and the Magdalen Islands, these facts which have been presented to us must be respected. Where are we going?

The third problem is: What do we do after to keep these programs? How can the federal government get involved?

[*English*]

I was impressed this morning listening to the minister of fisheries from Newfoundland. He said: "Yes, we will bite the bullet for two or three years but it is a renewable stock". That is the type of co-ordination we must have in the east coast fisheries.

I will have the honour to be on the Magdalen Islands for three days this weekend to touch on all of the demands of the fisheries: lobster, crab, mackerel, codfish, and whatnot. We have to go back and listen to the scientific information to say what can be done and what we can do. The politicians in the past have created a monster. We have built bigger boats subsidized by both federal and provincial governments and we go back 40 years. We have built the boats, we have subsidized the fishing nets, and we have said: "Go and get it". Now we can catch in a week what used to take 10 weeks. That is the domestic side.

• (2200)

On the foreign side—and I understand the foreign problem with the Portuguese and the Spanish—there are measures to be taken. At the same time as we have increased our boats and our fishing gear they have also done that. When we talk about historic rights for foreign fisherpeople, they have done the same thing, but the foreign fisherpeople are not operating as they did historically because they are working with fishery factory trawlers. We must address that, and I know that our Minister of Fisheries and Oceans is looking at it.

After we do those two things, the one dealing with history and the other dealing with the present situation and the foreign fishing, what we have to do is address ourselves to the people of Newfoundland particularly and to the spin-off for the rest of the east coast, the Gaspe. the Magdalen Islands, and the coasts of New Brunswick, Nova Scotia and Prince Edward Island.

Where do we go? The politicians have to get out of the game of playing politics with the fishermen. We should let them know what we can do and where we should be. Then, after all is said and done, let the fishermen decide themselves. They have to. Fishermen like our farmers, like our primary producers, must be together. They must know and they must have the assurance that we in Ottawa, in this great Chamber of perhaps controversy, will back up our people and our fishermen. I am convinced and I know that on behalf of my people from the Gaspe.

[*Translation*]

As Dr. Marin just said, what is happening to us, the people of Gaspé and the Magdalen Islands, is just the same as what is happening in Newfoundland. We will all work together to find a solution. But the most important people concerned in that, are the fishermen of eastern Canada.

[*English*]

Hon. William Rompkey (Labrador): Mr. Speaker, I want to congratulate the member for Burin—St. George's for calling this debate and I want to thank the Speaker for having it, because this is probably the most serious crisis we have faced.

I have been in the Chamber for 20 years and I cannot recall a time when we have faced a more serious threat in our province. It is, as my colleague from Humber—St. Barbe—Baie Verte on the west coast of Newfoundland and in part of my former riding has said already, not a regional issue; it is a national issue. My colleague from Bonavista—Trinity—Conception and others have documented the reasons for the decline in the cod stocks. They are clearly evident. As the catch for Canadian fishermen has gone down, the catch for foreign fishermen has gone up. Something like 47,000 tonnes is taken by the European Community, which is almost half the total catch taken by Canadian fishermen out of the total allowable catch. The evidence is clear.

There are some who say that possibly there has been some Canadian overfishing as well and possibly the Canadian offshore fleet is not completely innocent in this matter at all. Perhaps there has been some overfishing on the part of the Canadian offshore fleet, but whatever the cause is the European Community has to bear the main brunt of it. Clearly it cannot be laid at the door of the fishermen of Labrador because on the Labrador coast there is an inshore fishery. We are talking about boats of 20 feet and 30 feet and 40 feet. You can count on one hand the number of boats over 40 feet on the Labrador coast, in Makkovik in the north, in Inuit communities and farther south in Square Island, Triangle and in places like Battle Harbour, a name that is synonymous with the fishing history of our province, in Fox Harbour and farther down in the straits, in Red Bay, Lance au Clair and Lance au Loup, all of these are small communities with small plants and small boats and fishermen who make a small income.

They make almost no income at all at the present time as a result of the fishing offshore and primarily the overfishing by the European communities. That is all they know and that is all they want. They are there because the fish are there. That is what they know and that is what they want to do.

It is not their fault that we are in this situation at this present time, and yet they suffer. In Black Tickle last year, on the Labrador coast, there was hardly a single pound of fish landed. The year before, 2 million pounds of fish were landed in Black Tickle on the Labrador coast. They came there from all over. There were

probably 1,500 boats, not just from the island of Newfoundland, but from Nova Scotia and Quebec in that community.

There were two million pounds of fish landed two years ago, and last year, there was hardly a single pound. That sounds incredible. That sounds hard to believe, but it is the fact. It is a fact of life. What do those people survive on now that the fish are gone?

What they are surviving on is what we heard latterly from the Minister of Fisheries and Oceans tonight. He recited all the grants and all the programs that were available to these people. What it amounts to is a handout. What it amounts to is keeping people, and that is not good enough. That is not why they came there. That is not what they know. That is not what they want and that is not what they need.

What they need is not handouts from the minister, but action. What alternatives do we have? Very few, Mr. Speaker. We have the alternative of crab, which we are exploiting at the present time. We have the alternative of shrimp which, thanks to the Liberal government when it was in office, allocated to Labrador fishermen offshore shrimp quotas which are keeping them at the present time and created two small fishermen co-ops on that coast.

Those are alternatives. Apart from those, there are very few alternatives except for an industry that we used to have which was sealing. The Inuit culture to a large degree has been built on the seal. They use it for food and clothing. They have historically. What we suffered from in the sealing industry was overzealous environmentalists such as Greenpeace which told us that it was cruel and inhumane to kill seals. That population is gone. That industry, that door is closed to us.

The seal population has multiplied to the point where it, too, is killing the very cod on which we survive. Each seal eats a tonne and a half of fish. That is depleting the resource almost as much as the European Community.

That door has been closed to us. What has to be done? There has to be a cull of the seal herd. Seal can be used for food, and surely there are people in the world who need food. The seal population has to be culled. That is the first thing.

Second, there must be a limitation. The minister is going to take action next week. He has said here tonight, and we have to hold him to it, that he will protect first those people who depend most on fishing, that is the inshore fishermen. I ask him to keep his word on that and to make sure that when he delivers the new quotas he bears in mind, first of all, those people who depend on the inshore fishery.

Third, he has to do what the member for Bona Vista—Trinity—Conception, my colleague from Humber—St. Barbe—Baie Verte, and my other colleague from Burin—St. George's have suggested, that is to extend unilaterally the jurisdiction of Canada to the nose and tail of the Grand Banks.

I can recall when the 200-mile limit was brought in. It was a Newfoundlander who negotiated that 200-mile limit. Don Jamieson was the Minister of External Affairs at the time that the Government of Canada brought in the 200-mile limit. Alan Beasley was our ambassador overseas. Between them, they negotiated on behalf of Canada and pushed on behalf of Canada, and fought to get a 200-mile limit. As my colleague from Bonavista—Trinity—Conception has said, before that it was a 12-mile limit. It can be done and it must be done. There is no alternative.

• (2210)

I have just come back from Europe and I can tell you first-hand that we are not making a dent at all. We are not getting anywhere in Europe. Quiet diplomacy has not worked. Discussion has not worked. The only thing that is going to work is unilateral action and a forceful unilateral action.

I am not one normally to suggest dramatic courses of action, but I am at the point where I would like to ask my colleagues to join me, to get on a boat ourselves to go out within the 200-mile limit to take action on our own to stop what is going on. Some dramatic gesture has to be made. The Government of Canada has it in its power, if it has the political will, to extend that jurisdiction and that must be done.

Fourth, once the jurisdiction is extended then the enforcement has got to take place. We have frigates and coastal defence vessels. They can be used to exert the will of the Government of Canada inside that 200-mile limit. These are the things that must be done.

I want to remind the government finally, as I said in the beginning, that the people on the coast that I represent are wholly dependent on fish. There is no alternative. That is why they are there and that is what they want to do.

In the minister's pondering of this in the next few days, I ask him to remember that this coast depends on fish and I ask him, when he makes his decisions, to act in their best interests.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I, too, wish to participate in this emergency debate. In doing so, I want to thank my colleague from Burin—St. George's who made the application under the provisions of Standing Order 52 for this debate, which I believe to be fundamental not only to the regional economy in Atlantic Canada, but indeed the entire Canadian economy.

It has been said by many in this Chamber that fisheries and particularly Atlantic fisheries is a regional issue. It ought to be stated here again that this particular issue goes well beyond the geographical boundaries of the four Atlantic provinces. This is a national problem with very significant repercussions for the entire Canadian economy. It requires the Government of Canada, which has sole authority under the Constitution for management of the fisheries, to take bold initiatives in order to resolve the very serious situation that we find ourselves in today.

I say national because I talk about jobs. I make reference to the social welfare of our citizens and, yes, I refer to the Canadian environment. Whether one lives in Newfoundland, British Columbia, or somewhere in between, all of us as parliamentarians, indeed as Canadians, must accept, must understand and must go to bat for an industry and a way of life that is in serious jeopardy.

I agree with the Minister of Fisheries and Oceans from St. John's West, at the outset of my remarks, where he made reference to the somewhat ill-conceived mainland editorials which have appeared recently in our newspapers across this country. What arrogance. I make specific reference to the Toronto *Globe and Mail* which likes to refer to itself as a national newspaper. What hypocrisy at its best to say: "I will not read the entire paragraph because I only have a few minutes in which to speak". I say to them, Mr. Speaker, through you and to other members of this Chamber, that those of us in this Chamber, regardless of our political stripe, ought to say to those newspapers across the country which put down the poorer regions of this country and try to make out that we want to live on the public trough for the rest of our lives is just not acceptable. The issue must be put, however, in the few moments I have left. What, where and who is running the fisheries in Canada. Is it the Minister of Fisheries and Oceans? Is it the Prime Minister or the Secretary of State for External Affairs? Before I give that answer I want to put on the record what I believe to be some very obvious facts so that the reasonable Canadian will clearly understand.

In 1991, factory freezer trawlers inside the 200-mile limit were given 100 licences. The Department of Fisheries and Oceans in Halifax issued these licences to Cuba, France, Japan, Norway, Poland, the U.S.S.R. and Bulgaria.

Mr. Speaker, you are an intelligent individual. These factory freezer trawlers are not like the 18-foot rowboats that can be seen on the beaches in some of the more prosperous areas of Ontario. These vessels, I suggest, are anywhere between 300 and 450 feet whereas in Canada, a factory freezer trawler is roughly 175 feet.

We are not dealing with any pleasure boats. We are dealing with substantial floating fish plants. That is what they are. In St. John's, Newfoundland, in 1991 they issued 23 foreign licences, 9 factory freezer trawlers and 14 Faro Islanders, ships which are not factory freezer trawlers. They caught such fish as redfish, capelin, squid, Greenland halibut, silver hake, and numerous by-catches. So, I ask the question: Who is running the Department of Fisheries and Oceans? It is my humble suggestion that it is not the Minister of Fisheries and Oceans. He is the tail that is wagging the dog. The people who are administering Fisheries and Oceans are in the Department of External Affairs.

An hon. member shakes his head. Well, let him get up and participate in the debate. Let him show beyond a reasonable doubt that the Department of External Affairs is not running the Department of Fisheries and Oceans when you have that kind of fact.

My other colleague from the province of Newfoundland will participate later this night. He will provide additional evidence that any reasonable man or woman in this country will conclude that fisheries management is being run by the Department of External Affairs.

An hon. member: What about Environment?

Mr. Dingwall: Mr. Speaker, the hon. member opposite interrupts me while I speak. I did not interrupt him when he spoke. I want to say if that is not the case, why has the Secretary of State for External Affairs been such a silent individual, as was her predecessor, the Minister for Constitutional Affairs?

I say to this government through you, Mr. Speaker, that it is this cabinet, this Prime Minister, which have acted negligently on behalf of fishermen and the fishing industry in Canada. That is the crime. We have no Department of Fisheries and Oceans. We have a few scientists. We have some able individuals who are sincere in their work. But the fact of the matter is that the decisions are being made by the Department of External Affairs and the Prime Minister of this country.

The Prime Minister, the Secretary of State for External Affairs and the Minister for Industry, Trade and Commerce have not taken their responsibilities seriously.

• (2220)

They have not exercised their fiduciary obligations on behalf of fishermen across this country. They would rather be on the front pages of the newspapers, in *The Globe and Mail*, cutting the ribbons in the foreign nations of this country as opposed to standing up for the fishermen across this country. That is the problem.

And I say in conclusion that the Minister of Fisheries and Oceans, for whom I have some time and a good deal of respect, and I concur with my colleague from Burin—St. George's that the minister is a victim of a cabinet which does not care, does not understand, and has lost the political will to govern for a sovereign nation such as Canada.

They will be called accountable, not only for their acts but, more important, for their gross omissions in ministering one of the most important common resources to all Canadians wherever they may reside in this great country.

Shame on the Prime Minister, shame on the Minister of External Affairs, shame on the Minister for International Trade, and shame on the Minister of the Environment, as well as the Minister of Fisheries and Oceans.

S. O. 52

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I appreciate the opportunity to take part in the emergency debate this evening.

I do agree with the members across the aisle that it is very timely and very necessary not only to listen to both sides of the issue, but also obviously to point out what the government is doing in regard to a very great problem indeed.

The rhetoric in a debate that is as emotional as this tends to heat up during the course of the evening. I think we have seen some evidence of that this evening on both sides of the aisle.

But it goes beyond attempting to lay blame somewhere. We have done that historically in this House over the years, regardless of who the government of the day happened to be. I say that based on something that happened in this country just in the last couple of weeks that brought it to mind, in the sense of laying blame, who is to blame, how do we solve this thing, how do we get through it?

It has to do with our latest astronaut, Roberta Bondar, when she was actually interviewed on CBC television a few nights ago by I believe it was Barbara Frum.

I was really taken with that interview because she was asked what it was like to be in space and what it was like to look down on this planet of ours. I was really taken with almost the poetic sense with which she answered that question. She said: "You know, it is a feeling that you really can't explain, that you really can't articulate".

But she did a very good job in attempting to articulate it. She said she was really struck by the solidarity of this planet in relation to the rest of the universe when she was up there looking down. She was taken by the immensity, the size of Canada as a nation. I think we are now questioning whether Canada is number one or number two in sheer geographic size in this universe of ours at the present time.

What I am attempting to draw or paint is the sense that when we are talking about the fisheries we are talking about a finite resource. It is not an unlimited resource. It is certainly a renewable resource, but it is a resource that we really do not have a lot of control over.

If you asked a team of scientists today what is going on with the cod stocks you would have as many opinions as you would have individuals. There is no real easy answer to what is happening to the stocks.

This evening I give credit to members on both sides of the House for stepping us through some of the possible causes or reasons for a decline in the stocks. There is some commonality of thought in some of the expressions articulated here this evening.

There is no question the seal problem is a real problem. When you have a seal herd in excess of 3 million, each one eating approximately one and one-half tonnes of fish per year, it is obviously a problem.

That problem stems from the ban that was imposed on the seal hunt many years ago for maybe the right reasons, maybe the wrong reasons. There is no question that fishermen bear the brunt of a decision made many years ago. Basically the seal herd has grown unchecked in recent years and there is no question that it is having an effect on stocks.

We can look at the technology that fishermen today have at their disposal to locate and catch fish. We do not have to be skilled in the fisheries area to recognize that they do have the ability to catch more fish than they did just a few short years ago.

Take a look at the capelin, the feed of the cod. What has happened to that resource? Again, no one can tell us.

An hon. member: We gave it to the Russians.

Mr. Thompson: My hon. friend from Moncton is telling us that we gave the capelin to the Russians. He knows that is totally false.

That is the difficulty with this debate this evening. When you attempt to apply reason on this side of the House, you are always interrupted by a suggestion which is totally false, totally inaccurate.

Let us talk for a minute about giving fish away. I want to quote the Minister of Fisheries and Oceans and what he had to say yesterday about what happened in this sort of give-away of fish in Canada.

Let us talk about what happened back in 1972. I am quoting the minister in his response to that question: "I wonder why Canada in 1972 committed such insanity by signing a treaty with the French under which they took 300,000 tonnes of cod in the gulf".

It was not our government that did that; it was his government at the time. That is only the start, the minister tells us. They are taking 4,000 tonnes more this year because of that treaty which has no termination date. So they are the authors of some of our misfortunes. They cannot crawl out from underneath that legacy because that is a reality that stares them in the face. It is the treaty that they entered into.

The minister went on to point out that the people who are criticizing us today are the very people who gave away 75,000 more tonnes of fish in 2G and 2GH.

When we want to get into name calling and laying blame nothing happens at the end of the day. It is just rhetoric on both sides of the issue. The reality is that we are into a real problem. It is not going to be solved by pointing fingers and laying blame.

The government of the day has been very generous in support of the fisheries recognizing the problems that we do have out there. Looking at the raw numbers, the federal government is putting about $3.15 into the fishing community for every dollar that it has generated by the fishery itself. It is an equation that is totally lopsided. It tells me that we are actually putting more into the fishery than we are getting out of it as a resource. Again, we can argue why that resource is not there. Maybe mankind itself has something to do with it.

I opened my remarks by suggesting it is a resource that not even the most talented, the most skilled of all the scientists can accurately predict. We have gone through these highs and lows. We have historically done that in this country.

• (2230)

Again, let us go back to the generosity of spirit. I know some of the members over there are saying, and I agree with them totally, that it is very difficult if you are living in one of those little fishing communities in Newfoundland to have any sense of generosity of spirit, generosity of heart, when you are looking at a resource that is almost disappearing before your very eyes.

That has to be acknowledged and it is being acknowledged by this government. Again, I agree with them. It goes beyond just the sheer geography of Atlantic Canada. It is a Canadian problem. We have to start addressing it from that point of view.

I do not think there is anyone in this House who would deny that the Minister of Fisheries and Oceans has done everything within his power, within his capacity in the last number of years to make it a little easier for those fishermen who are being affected by that downturn in the resource.

I can step through some of the numbers. I suppose the most obvious one is the $584 million that the minister secured almost single-handedly for the downturn in the fisheries for Newfoundland.

This debate is going to grind on for a few more hours. I want to let the people of Newfoundland know that we have a feeling for them. We do not all live in Newfoundland but we understand the problem. We do want to be generous as Canadians.

I totally agree with the members that have spoken before that it goes beyond just being a problem for Newfoundland. It is a problem for all of us as Canadians, particularly at this point in the history of our country. We have to show a little more generosity than we have in the past.

We have it within our capacity to do that as a nation. I am very proud to be part of a government that does have that generosity.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, I listened to the speeches of opposition members tonight, and especially those members who represent ridings in the Atlantic provinces.

I will admit that tonight there is some concern in the fishing villages in the riding of Manicouagan.

[*English*]

Anxiety and uncertainty in the homes of fishermen on the lower north shore is a fact. There are several reasons. The first reason is that they heard at the beginning of the week that there was a report tabled to the Minister of Fisheries and Oceans by a committee of scientific experts, a committee of scientific advisers that has told the minister that the northern cod stocks are declining at a very rapid rate.

The minister received that advice earlier this week. As the responsible minister he has called to Ottawa a meeting of all the people involved in the fishery in the Atlantic provinces. He has reported to them the findings of that committee.

The findings of that committee are of course not very bright for the future. They indicate to us what we have been fearing for quite a few years that the cod stocks are declining at a rapid rate and that if we do not address that issue rapidly we will face much more hardship in the very near future.

These fishermen and the members of their families in my riding are asking themselves tonight what will happen for the 1992 fishing season.

[*Translation*]

They wonder whether their wives, sons and daughters, and other members of their families will find work in the processing plants in their communities next summer. They have a perfectly legitimate reason to be concerned.

They are also worried this evening because since eight o'clock opposition members have been painting a picture of gloom and doom. And in addition to discussing the subject at hand, those opposition members are shouting and insulting government members because of information released earlier this week by the Minister of Fisheries and Oceans. Instead of scaring fishing communities in Atlantic Canada, perhaps they should have waited to hear about the measures the minister will be announcing very shortly to provide some relief. As I was saying, the minister is about to announce a number of measures that will try to ease the situation next summer.

[*English*]

The purpose of the Liberal Party speakers tonight is to plant fears and anxiety in the heart of the fishermen and their families. One day they will have to answer for that. I say to the people of the lower north shore, I say to the people living in every community in my riding: look at the situation with cool heads. COSA, the Committee of Scientific Advisers, earlier this week informed the Minister of Fisheries and Oceans of findings that are based on a series studies accumulated over a number of years. The minister will address that issue. The minister is strong, and based on his track record he will implement measures that will take care of the situation and alleviate the hardship caused in the fishing communities because of that situation.

As for the minister's track record, I would like to remind the House and the people in the fishing communities that he was the one to introduce programs and measures that directly provide support, provide work, and provide funding in the fishing communities of Atlantic Canada, to help those communities take charge of some of the local operations, to help those communities get involved in developing their industrial bases, both in fishery activities and other types of activities as well.

[*Translation*]

I would like to comment briefly on the Quebec fisheries development program, designed under the direction of the present Minister of Fisheries and Oceans and announced by him a little over a year and a half ago. The four components of this program provide fishing communities, organizations, and committees with the means to organize their own activities, diversify their economy, and become more actively involved in the fisheries as such.

The Quebec fisheries development program has a dynamic marketing component that will provide the processing industry with the means to reach new markets and sell fish species we have not been able to sell up to now.

[*English*]

There is a component in the Quebec fishery development program that addresses resource management. Programs have been put in place the last year and a half to ensure that us down the line we manage our stock better, that together with the fishermen, the communities, and the department we will provide better, sound management for our resource. There is also a component that addresses research by the scientists with the aim of providing us with data on fish stocks and information that we did not have before. For quite a few months I have seen concrete results from this program in the communities in my riding, I have seen an active role played by the fishermen. We will continue this.

• (2240)

Yesterday I had a meeting in my office with the general manager of the Lower North Shore Fishermen's Association. We discussed the issue. I will be visiting the communities at the beginning of March and will be in a position to talk further with them and assess with them what can be done to alleviate the situation. Those are positive steps that we will take, as a government, to provide support and incentive to the fishermen to help them pull through this very difficult situation.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, Newfoundlanders have sustainably fished for hundreds of years off the coast of Newfoundland. They have fished and others have also fished off the Grand Banks, and so on. They have made a living, provided for their families, and built their communities.

The fish stocks survived those hundreds of years of fishing. They replenished themselves. They were a renewable resource, a constantly renewing resource, indeed one of the world's great protein sources.

Today those fish stocks are dangerously low and the livelihoods of Newfoundlanders and those in Labrador are threatened. There is a tragedy of enormous proportions in the decline of the fishing stocks off Newfoundland.

I think Canadians ask us to suggest solutions to problems and not to lay blame. They ask us to ensure that government action, on behalf of Newfoundlanders and on behalf of Canadians, is taken in the face of this tragedy.

However, we do have to remember some recent history on how we got into the situation the Newfoundland fishery is in, how that fishery got into the trouble it is in today. We need to understand why because it teaches us how to deal with the solutions in the future. It teaches us how not to respond to the problem we are facing.

The establishment of essentially two large fish corporations, Fishery Products International and National Sea, under a Liberal government meant treating the fish stocks as a resource to be plundered for profit, handsome profits in some years, a resource to be dealt with from the point of view of a corporate balance sheet and short-term profit considerations with no thought for the future. Indeed, it was short-sighted in the extreme as we see today with so many of Canada's resource industries.

Governments, both Liberal and Conservative, both federal and provincial, shared this view so that scientific advice to reduce the total allowable catch was ignored. It was assumed that there would always be plenty of fish, the big corporations' profits and projections were believed in the face of scientific evidence, foreign fishing went essentially uncontrolled for fear of upsetting our

European trading partners, and big corporate freezer trawlers were encouraged to plunder that resource.

That approach, that rather typical Canadian big business resource industry approach, has taken us to the disaster we face today.

We in the New Democratic Party and those in the Official Opposition predicted many times over the last three or four years that this was a tragedy of enormous proportions and warned of the situation we are in. Scientist after scientist, study after study, warned against the tragedy that we are now facing. In a sense this is reliving an emergency because it is at least the third or fourth time we have discussed, in terms of an emergency, the disaster facing the fishery off Newfoundland.

The size and extent of the problem is enormous. However the problem is not beyond our ability and scope to deal with.

There are solutions. My colleague from Prince George—Bulkley Valley presented earlier a four-point plan to address in the short term and the long term, the problem of the fishery in Newfoundland. I will mention that in a minute as a way of getting out of this problem.

It is not sufficient to talk about retraining fishermen because what are we retraining fishery people for? There are no jobs in the communities where they live. They have every right, it seems to us, to continue to live in communities in which they have grown up, in communities in which they have a tradition stretching over hundreds of years.

They have a right to continue to be able to exercise their skills in a way in which they choose. With no fish because of the plunder that has taken place, because of the inactivity of the federal government, they need some assistance to survive until these fish stocks are hopefully replenished.

Over and over again, warnings came. In 1988 in the recommendations to the minister leading up to the Canada-Newfoundland Inshore Fisheries Agreement, there were warnings about the impending over-exploitation of the fish stock.

In 1989 scientists indicated that stock strengths were over estimated. In 1990 the well publicized study of Dr. Harris, commissioned by the federal government, confirmed what scientists have been saying. He publicly called for a major reduction in the total allowable catch.

The Department of Fisheries and Oceans predicted just last year enormous worker lay-offs as a result of the decline in fish stocks. We are seeing those predictions coming true, unfortunately, today.

We have seen some initiatives to try to deal with this problem, but those initiatives clearly have not been up to the task because otherwise we would not be where we are today. It is not enough to retrain. It is not enough to assist older plant workers to readjust.

We have to do something to ensure the replenishment of the fishing stocks which means we have to hold back on the exploitation of that resource and we have to do something to enable those who live off the sea to survive until those fish stocks replenish.

This is an ecological tragedy which compares to the devastation of the Brazilian rain forests. It is our own ecological tragedy in Canada.

Before I suggest the approaches we could take to deal with this problem, Canada has to ask herself what sort of fishery she wants. Does she want an offshore corporate fishery as we have had which led us to the situation we are in? Or do we want an inshore community based fishery which Newfoundland experienced over hundreds of years and which enabled the communities there to thrive?

It is clear we have to make a major shift away from the solutions posed by Liberal and Conservative governments to one which is more community based, which actually will create and keep jobs in the community.

We have to move immediately to assume fishery management jurisdiction over the nose and tail of the Grand Bank to effectively terminate foreign overfishing. We must immediately define our priorities for the future. We must define that we want a community based inshore fishery and not a corporate based fishery.

We need a fishery which is premised on sustainable economic development, which will keep that critical protein stock replenished and yet provide livelihoods for those who live off it.

In the process, there will be many jobs lost and many communities in severe economic difficulty. Both federal and provincial governments must be prepared to bring forward programs, perhaps on a level not seen before even in the difficult economic times we face, of ensuring that thousands of families in those communities are not forced to leave Newfoundland and Labrador to go down the road for a future somewhere else.

In other words, we have to maintain those communities in a viable way until the fishing stocks return. It is, as we know, not a solution to encourage those without jobs in the regions of Canada to go to Alberta or to Ontario for jobs because our economy is not providing jobs there either.

• (2250)

We must also ensure that proposals in our current constitutional debates which would see the end of any provincial trade protections and trade barriers be really carefully looked at in the context of the Newfoundland fishery. Newfoundland has regulations which require fish caught by Newfoundland fishers to be processed in Newfoundland. Nova Scotia, on the other hand, permits fish caught by Nova Scotians to be shipped out of the province costing, as Conservative MPs have indicated, at least 1,000 jobs.

We need to reassess what would happen if we broke down provincial trade barriers and we have to ensure that they are sustainable and remain in effect for Newfoundland so that the communities can be protected.

Basically we have to do two things. We have to ensure that fish stocks replenish. We have to stop overfishing by foreign fleets and we have to control the fishing done by Canadians. Second, we have to sustain those who live off the sea until the fish stocks replenish.

I think that the point about responding to the foreign overfishing by taking control over the nose and tail of the Grand Banks is one which is not free of problems, but as the minister of fisheries indicated just last year, the discussions that have taken place with the European Community have not been successful. He indicated that in spite of repeated efforts by the government to make Europeans realize the serious effects of combined overfishing by their member states, they have indeed continued to overfish and indeed, in recent years, have overfished to the extent of 100 per cent of their allowable agreed upon catch.

We have the problem of foreign overfishing, foreign governments, and foreign fishing organizations not paying attention to the seriousness of the depletion of the resource. We cannot, I think, rely upon moral suasion any longer. The government has to act to stop that overfishing, to take control outside the 200–mile zone and ensure that our stocks have an opportunity to replenish.

The New Democrat member of the legislature in Newfoundland, St. John's East, a former member of this House, has called upon the federal government to take control immediately over foreign overfishing off the Grand Banks. The Nova Scotia Federation of Labour has also called upon the government to extend fisheries jurisdiction beyond the 200–mile zone.

The provincial government has called upon unilateral action on the part of the Canadian government, and members of the Official Opposition have responded similarly.

We have all called for the Canadian government to take unilateral fisheries jurisdiction given that foreign fleets have continually overfished the stock. There is no question that this has to be done and has to be done immediately.

In closing, we have in Newfoundland a multi–faceted disaster, an ecological disaster, as we see the depletion of this incredible protein source, an ecological disaster of enormous proportions, an economic disaster of enormous proportions as thousands and thousands of families are thrown on to on unemployment roles, on welfare roles because of the inability to maintain the fish stocks because of their overexploitation and the ineffective management of that stock.

Of course, we see social disaster in enormous proportions as communities are torn apart, as people are forced to leave the province in search of some livelihood and last but not least, we see a cultural disaster as the culture of Newfoundland, the communities of Newfoundland are forced to suffer and some to close.

This multi-faceted disaster is one which the federal government must deal with. As I said, there are two ways in which this must be done. There is no choice any more. It is absolutely critical that steps be taken immediately to preserve and rebuild the fish stocks and we all hope that it is not too late to do this. We must also concentrate on the people who are affected and provide assistance to those who have lost their livelihood. The government must treat this situation as a national emergency. The survival of a fragile provincial economy that is so important to all Canadians is at stake here. It is our responsibility and obligation to preserve it.

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I do not come from a riding in the Atlantic region which is directly affected by the disaster which has befallen the northern cod fishery, but it certainly is a matter that is of great concern to me as are all matters that affect the sustainability of our environment and our resources.

It seems to me that as we discuss a situation such as the disappearance of the northern cod, it reminds us of the continuing tragedy of man's intervention with his environment of the disappearance and endangerment of so many of our species. The cod situation reminds us and it scares us. It always seems to be too late when we get reminded and scared.

It is like the changes in our atmosphere, pollution, acid rain, global warming, and the ozone. Now finally the ozone has our attention and we are starting to talk about serious measures to stay out of the sun and protect our children.

So it is with the northern cod stocks and the situation in Newfoundland. It is a tragic and scarey situation.

My colleagues have spoken in great detail tonight about the measures which have been taken to address the fishery in Newfoundland over the past several years. There have been the constant scientific warnings and constant reductions in the total allowable catch. There has been tremendous investment in the Atlantic Fisheries Adjustment Program to provide not only scientific capabilities to deal with declines in the stocks and find ways of hopefully replenishing them, but endeavouring to find ways to deal with the economic tragedy that affects Newfoundland and Nova Scotia and all the fisheries areas of Atlantic Canada, along with the malaise which we feel from the current recessionary circumstances in so many parts of our economy.

I would have to say that this government on balance has provided extremely sensitive, constructive, and at times courageous management of this resource. I do not think it does us any good at all to debate this subject in the constant harangue of who could have done this, or who should have done this, or who would have done this if they had been in power. It just contributes to the tragic nature of the whole situation.

I would be inclined to recommend to all hon. members that we finally take a situation such as this cod tragedy and constructively try to figure out together what has gone wrong, what the causes have been what the remedies are, and what we can constructively do to remedy and adjust to this significant situation.

It must be really hilarious to those Portuguese, Spaniards and others who are over-fishing just outside our 200-mile economic zone, to look in on this House of Commons today and yesterday and see the theatrics, the opera, and the high drama of television being performed without any significant contribution or consensus developing about what has gone wrong and what we can do about it.

I do not think I can add anything of great detail to the specifics of the cod situation in our Atlantic fishery tonight. I can certainly pledge my support for the Minister of Fisheries and for the constructive approach, indeed the courageous approach, he has to take to this issue because it is so sensitive and so personal to his own political affairs and service. He has to face this every weekend not only as the minister of fisheries for Canada but as the member of Parliament for the city of St. John's and many of the fishing areas around it. I applaud him for the approach he takes. I applaud his department for the comprehensive and scientific approach which they take. I would certainly call on all members of this House to support that approach and to work in addressing this as an environmental disaster, an environmental challenge that we all have to face together. I think if we do, Canadians will start to have some confidence that we in this House of Commons may find a way to deal with it.

On that threshold I would like to address another fish resource in which I have had some particularly unique experience and for which I have a great deal of high

regard and respect, almost as a symbol of our natural environment. That is the Atlantic salmon.

The Atlantic salmon which is one of the most magnificent creatures in God's world has been in peril for many decades, for almost all of the decades in my life. Yet we continue to live on the edge with practices that we know are destructive and hope will be successful. But we know inside they probably will not be, and constantly retreat from the sort of management we should be taking.

With respect to Atlantic salmon I think there is an analogy to the cod situation or vice versa. The signals have been there for years that the resource is in trouble. It is under constant attack. It is under constant over-harvest. The runs do not show annually as we expect. We blame it on the weather and on phenomenon that is beyond description when in fact it all boils down to a reality that if we are not at least the cause of it, we are not the solution to it either. We have not been able to manage ourselves sufficiently well to manage the resource.

With respect to Atlantic salmon I would remind the House of the tagging system we have introduced, of the catch and release approaches we have taken, of the elimination of commercial fisheries in New Brunswick and Nova Scotia, of the reduction in commercial licences in Newfoundland. Despite all of these measures we continue in a very significant way to debate the merits or demerits of gill net fishing. It is a destructive indiscriminate manner of harvesting fish so that everything that is touched is dead when it is retrieved. The opportunity to release spawning fish, as has become the practice in angling traditions is not possible.

Yet as we advance cases for the termination of gill netting we are still confronted with debate and argument about the fact that the courts may not see it as an adequate conservation measure. We may not be able to sell it as a conservation measure, and we do not dare take the risk of banning gill netting because it will have political and social implications among our citizens of all cultures.

Yet if a resource disappears as the northern cod is on the verge of disappearing, and an entire economy such as Newfoundland's is struck with real tragedy, does it not seem like hollow talk when we wonder if we are over stepping the bounds of conservation by managing a little too tightly or a little too closely?

I would call on the Minister of Fisheries and Oceans who I applaud, admire and support completely. I would call on him to approach the Atlantic salmon resource with the cod resource in mind, to dare to take the conservation measures now that are required to pre-empt a precipitous decline in the stocks, to take the kind of measures that will prevent us getting to this day with Atlantic salmon that we are with cod saying that we have failed. We are in trouble and we do not know how to cope with it. We do not know what caused it and whatever we should have done, it is now almost too late.

I think as we search for a solution to the cod tragedy, it is a solution to which we all must commit ourselves. I ask my colleagues and I ask our minister, with the greatest of respect, to ensure that we do not end up approaching the issue of Atlantic salmon in the same manner and bring about the same sad result we are now experiencing with the northern cod.

Thank you very much, Mr. Speaker, for this opportunity.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, my colleague, the member for St. John's West, has already addressed the problem of foreign overfishing, its underlying elements, its complexities, and its dimensions.

A clear result is a severe depletion of the biomass and the tragic economic and social implications for the economies of the Atlantic provinces together, and Newfoundland in particular.

[*Translation*]

Therefore, we can clearly see the human tragedy, the result of plant closures and job losses. The question is: What is Canada doing to resolve this serious problem?

[*English*]

Before describing the measures that Canada is and will be taking, I want to make four important points on foreign overfishing generally:

First, these fisheries are taking place outside the 200-mile limit in international waters where Canada, to our great frustration, has no jurisdiction and flag states alone have the legal authority to enforce rules on their own vessels. International waters do not belong to any one state, Canada, or any other state, or even to an organization like NAFO, the North Atlantic Fisheries

Organization. They belong to the international community. It is up to individual sovereign national states to control the actions of their citizens and those vessels that are in those waters.

Second, most of the countries that fish in the NAFO area—Japan, Russia, the Faro Islands, Norway, Denmark, Cuba—support fisheries conservation, respect their NAFO quotas, and co-operate with Canada. They do not fish for northern cod. The problem of overfishing is centred on the activities of two countries in particular: Spain and Portugal. They are not the only ones but they are the primary ones.

Third, the small number of countries that do not co-operate with Canada, certain EC member states as well as Korea and Panama, are not eligible for benefits in the Canadian zone. Their fishing vessels are barred from Canadian ports, except in very serious emergencies. They are not allowed to fish for surplus stocks in Canadian zones. They are not eligible to take part in commercial ventures involving any fishing by their vessels in Canadian waters.

Fourth, the number one priority in international fisheries management is improving effective controls. All NAFO members must agree on measures to strengthen surveillance of vessels and to control actual fishing in international waters. They must take all steps necessary to ensure that conservation rules are enforced.

This government is committed, as no other has been, to ending foreign overfishing in the northwest Atlantic outside the 200-mile limit. Since 1989 we have carried out a comprehensive campaign, both at home and abroad. We have undertaken a high-level political initiative led by the Prime Minister to ensure that leaders of the EC, its member states and other nations, including members of the G-7, are aware of the serious consequences of overfishing. The Prime Minister has raised this with his colleagues—heads of government, the head of the European commission—at every available opportunity and frequently to our cost. The tensions that have resulted from our raising the issue of overfishing have created tensions in other areas. We are glad to do that on behalf of the fishermen of eastern Canada.

• (2310)

In bilateral and multilateral discussions we have sought to persuade the European community to return to compliance with NAFO decisions. Sometimes I feel as though I am beating my head against the oak door up there in the gallery. I raise this in every international meeting I have with European ministers, the presidency of the EC, and the Commission of the European Community. Canada's ambassador to the United Nations raised Canada's concerns in the last session of the UN General Assembly. A comprehensive Canadian information campaign has underlined the ecological risks of overfishing and called on the European public to oppose foreign overfishing in the northwest Atlantic. We have to make the Europeans realize that overfishing is to their disadvantage as well as to ours. Believe me, it is one of the most frustrating parts of my job to try to get them to listen, but try we do on every potential occasion.

Work has begun within NAFO—and this is a hopeful sign—to improve its system of surveillance and enforcement and to eliminate fishing by vessels registered in countries that are not members of NAFO. Canada has also spearheaded international efforts to improve the effectiveness of international law as it pertains to high seas fish stocks. A major objective for Canada in this legal part of our initiative, as opposed to the political element which we emphasize every time we can, is international recognition of the special interest of coastal states, others as well as Canada, in conservation and management of fish stocks which are harvested both inside and outside national fishing zones.

A special ambassador for fisheries conservation has been appointed to co-ordinate and carry forward Canada's diplomatic, legal and information initiatives in this important area. He initiated bilateral consultations with the EC Commission early last summer but the community rejected Canada's proposals to help resolve the problem.

Much remains to be done but there are signs of progress, however frustratingly slow. For example, the European Community, which is increasingly Euro-centric and as a result we have to consistently build our efforts there, did accept eight of the 11 NAFO management decisions for 1991 and 1992. In 1991 the EC assigned a fisheries patrol vessel to the regulatory area for seven months and it is likely that the patrol vessel will return to the NAFO area in 1992. We will certainly urge

that it does. The EC is co-operating within NAFO to reduce fishing by non-NAFO vessels, including its own reflagged vessels. Of course reflagging is another of the problems which we have to fight on another front. Canada will continue to press the EC to control EC vessels fishing in the regulatory area and prevent reflagging by its vessels.

In the meantime, we are pressing ahead on other fronts and we do so consistently. The Minister of Fisheries and Oceans has laid out an ambitious plan of objectives and initiatives for 1992. Canada has asked the chairman of the NAFO fisheries commission to convene a special session of NAFO to improve international control in the NAFO area. This is a special meeting and will take place in May. It is very rare that NAFO agrees to have a special meeting of this nature. Canada will be taking its proposals on high seas fisheries conservation to the United Nations Convention on the Environment and Development, the Earth Summit in Rio, to seek international support for our efforts in terms of conservation of what is an important international resource.

We have met with, and hammered on, the government of Panama to ask them to take action to end the use of Panamanian flagged vessels in northwest Atlantic fisheries. The minister himself has travelled to London and Tokyo to speak eloquently on behalf of the fishermen in Canada for effective control of international fisheries. He will visit other capitals over the coming months to build up support for Canada at NAFO and at the Rio summit. These are some of the ways that we are working to end the foreign overfishing outside Canada's 200-mile limit.

The new scientific evidence that has come to light this week as reported by my colleague serves again to confirm the devastation of the northern cod stock by the relentless foreign overfishing and seeming disregard of NAFO's rational conservation decisions in the nose and the tail of the Grand Banks outside the 200-mile zone.

The Prime Minister, my colleague the Minister of Fisheries and Oceans, and I have repeatedly and at every opportunity registered with our colleagues in the community that the northwest Atlantic fishery, especially northern cod, is in serious trouble because of continued and excessive overfishing by EC vessels.

This is not an issue just of critical importance to Canada which is our primary concern. It is of importance to the entire fishing industry and fisheries conservation of the world. The EC and the non-members of NAFO have got to recognize this. They have to address it seriously.

If this important resource is to be saved, these countries have to bring their fleets under effective control in compliance with NAFO conservation decisions. We will continue to beat our heads against any door that is available to us to make this point clear.

I should say that those who fish inside our waters, which has been suggested tonight as a kind of sinister failure on the part of the government, are here because of obligations under the Law of the Sea, frustrating though it may be that under the Law of the Sea, people can come into our 200-mile limit and fish for underutilized species.

We are doing everything we can to conserve the fishery that is under our control and to convince others to conserve the fishery and save it when it is under the control of others who are beyond our borders.

We have been doing that daily and weekly. We will continue to do it until we manage to resolve this issue on behalf of the fishery of Canada.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I move under Standing Order 26:

> That the House continue to sit beyond midnight for the purpose of continuing the consideration of this item of business.

The Acting Speaker (Mr. DeBlois): Will those members who object to the motion please rise in their places.

Fewer than 15 members having risen, pursuant to Standing Order 26(2) the motion is adopted.

Motion agreed to.

Mr. MacAulay: Mr. Speaker, it is sad that this House is once again debating the many troubles of the Atlantic fishery. Had the government paid the attention that the fishery deserved over the last few years, we would not be here tonight.

We all know that the government has not paid enough attention and the fishery is in crisis again. The other day in Question Period the Minister of Fisheries and Oceans said that this government has done everything possible to help the fishery and that the fault for the problem was an

agreement signed by the Liberal government 20 years ago.

I say to the government that 20 years ago there was enough fish off our shores for everybody. Today, after eight years of mismanagement, there is not enough fish to keep the communities alive. The European Community has consistently overfished its NAFO quotas for several years and the government has done nothing.

• (2320)

The minister says that he has talked with his European counterparts about the problem. He has told the Spanish and Portuguese that they must stop the raping of Canadian fish stocks outside the 200-mile limit. The minister says he is doing everything he can and that he is conducting delicate, diplomatic negotiations.

If the government had any concern for the groundfishermen of Atlantic Canada, it would claim its right under International Law of the Sea Convention and extend the 200-mile limit to include the nose and tail of the Grand Banks and the Flemish Cap. This is our right and was recommended by Leslie Harris over two years ago.

Many of my constituents think that the Minister of Fisheries and Oceans is afraid to offend the Spanish, Portuguese, Koreans, and others. The time has come for this government to take action and enforce Canadian management of all fish stocks, especially straddling stocks. Unfortunately we all know what this government is like enforcing our fishery regulations.

While government allows the harassment of small inshore groundfishermen and forcing dockside monitoring down their throats, it lets Spain and Portugal rob us blind.

The government should cancel all foreign fishing licences in Canadian waters, especially for food fish. What sense is there in allowing foreign vessels into Canadian waters to fish for things like mackerel, capelin and squid? These fish are the basis for the food chain and the foreigners are literally stealing the food from the mouth of the cod. No wonder fishermen are saying that the fish are getting smaller, the cod are starving to death.

It is not only food fish that foreigners are allowed to catch in Canadian waters. The French are allowed to catch 1,600 tonnes of 4T cod each year, the fish that groundfishermen in my riding depend upon for their livelihood.

Fishermen in my riding want to know why they have to take over 10,000 tonnes in quota cuts since 1990 and the first French quota has gone up by 260 tonnes.

The crisis in the Atlantic fishery is not only a crisis of declining stocks, it is a crisis of mismanagement and the government is to blame.

The crisis is not only in cod stocks off Newfoundland and Labrador, it is in every harbour and bay across Atlantic Canada. Ask any fisherman in Prince Edward Island about DFO and he will give you a list of things the government is doing wrong in the fishery: lack of repairs to small craft harbours, lobster size increases, and dockside monitoring to name but a few.

Since I was elected in 1988, wharfs and breakwaters in the Cardigan riding have been falling apart. Wharves like Graham's Pond and Launching required only about $50,000 of maintenance work two or three years ago to keep them in shape.

However, because the federal government did not spend that small amount of money two years ago, the cost of doing major reconstruction has gone up to well over $1 million for the two wharves. If this is not mismanagement I do not know what it is.

There is also the issue of increasing lobster sizes for island fishermen. Last year, DFO increased lobster size for fishermen on the south shore of P.E.I. while keeping the same size on the north side. This move by government has been a disaster for the fishermen in my riding.

In a year where there was a 5,000 metric tonne reduction in cod quotas, the government reduced canner catches in zone 26A by about 1.3 million pounds. These small canner lobsters filled a very special market area and the size increases could effect a loss of over $14 million in that product area alone.

There was no problem with the lobster stocks, there was no need for conservation measures, in fact lobster stocks have been increasing steadily for many years.

Playing with the lobster size has been a major financial blow to the fishermen of Prince Edward Island. It is mismanagement pure and simple. Snow crab fishermen in my riding are concerned about a proposal to allow licences for more fishermen in that fishery.

According to a DFO proposal, Island fishermen are to be shut out from applying for the new licences despite the fact that the licences are for the area off eastern P.E.I. Indeed, Island fishermen were not even told by DFO that more licences were being considered. Fishermen found this out by word of mouth. Fishermen from eastern Prince Edward Island should be given a crack at the new licences. Not giving Islanders a chance is mismanagement as far as I am concerned.

The real crisis in the Atlantic fishery is a mismanagement crisis. Because of mismanagement by this government, the northern cod stocks are dropping like a stone, throwing thousands of people out of work. Because of the government mismanagement, wharfs and breakwaters in my riding are literally falling into the sea.

The fishery has been a way of life in Atlantic Canada for about 500 years and that way of life has been destroyed. The fishing industry in Atlantic Canada is more than simply dollars and cents. With proper management, Atlantic Canada can handle a proper fishing industry with thriving communities scattered around the coast.

Until this government takes concrete action against mismanagement and foreign fishing, the fishermen and plant workers in Atlantic Canada will continue to suffer needlessly.

Concerning the repairs to small craft harbours, I have some information compiled by the Department of Fisheries and Oceans. I believe it is a prime example of why the Savage Harbour breakwater on which I tried to persuade government three years ago to spend a small amount of dollars to repair and why Graham Pond wharf needs $1 million today. Launching and Georgetown and many other harbours are in a desperate state.

I just happen to have the figures of DFO spending on small craft harbours for the riding of St. John's West which happens to be represented by the Minister of Fisheries and Oceans and the dollars allotted to Prince Edward Island which has four ridings.

I will give a couple of examples since time is short. In 1990–91 about $8.5 million was spent in St. John's West and $1.3 million was spent in the four ridings in Prince Edward Island. In 1991–92 $3.5 million was spent in St. John's West, in the hon. minister's riding, and in the four ridings in Prince Edward Island we did not get $1 million.

It is no wonder that the breakwaters and the wharfs in Prince Edward Island are falling into the sea. This is total mismanagement. It is totally unacceptable and hopefully, with these figures becoming public, pressure will be put on government and the minister will see fit to spend the proper dollars on small craft harbours in Prince Edward Island.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I welcome the opportunity to take a few minutes to speak on this emergency debate.

I want to begin by congratulating my colleague, the hon. member for Burin—St. George's, for taking the initiative to bring this emergency debate forward and Your Honour for accepting his motion.

The revised information from the scientists of the Department of Fisheries and Oceans on the state of the northern cod was released this week. It demonstrates that the biomass or the stock of the northern cod in 2J-3K-L off the eastern coast of Newfoundland and Labrador is much lower than was previously estimated. It is indeed an emergency. It is a crisis and warrants the concern of all members of this House.

• (2330)

There is a certain sense of *déjà vu* in the debate we are having this evening. I remember the last time we had an emergency debate on the fishery. I remember very well because I called for the emergency debate. That debate took place on December 18, 1989, in response to a decision by National Sea to close its fish plant in Canso, Nova Scotia, thereby throwing 750 fish plant workers and trawlermen out of work and effectively shutting down this coastal community in my constituency which has been a fishing community for over 400 years.

At the same time National Sea Products announced the downsizing of its operations in Newfoundland and other parts of Nova Scotia and Fisheries Products International did the same. That was a crisis and an emergency affecting all of Atlantic Canada.

The crisis was precipitated by a fall in Canadian fish quotas and an increase in the difficulty both offshore and inshore fisheries industry had in catching the quota available to the Canadian fishery. As a result, National Sea was making the corporate decision to close these plants, as was Fisheries Products International.

Members will recall that as a result of that debate and the passionate interventions that were made on all sides of this House during that evening and as a result of a very determined fight led by the mayor and town council of Canso for about four months, this government finally relented, intervened and worked out, in conjunction with the Government of Nova Scotia and other consortia in Atlantic Canada, an arrangement that allowed the fish plant in Canso to be purchased and reopened and allowed the fish plant in Burgeo to reopen and essentially save those communities.

We have to say that because of the government's actions in this respect, the people in Canso are grateful, even though it took a tremendous battle on their part. They are grateful that this action was taken and that this company, Sea Freeze, was allowed to preserve the jobs in those communities. That was in May or August of 1990. What has happened since then?

The underlying cause of the crisis is basically the failure of the government to control the over-all effort by Canadians and by foreign fisheries vessels to control the pressure on our cod stocks and the entire groundfish stocks which exist off our coast. The failure of the government to do this means that we are once again confronted with the evidence which precipitates this crisis and this emergency debate only three years later.

The crisis we face this evening, as other members have said, is not a crisis affecting only one part of Canada. It is not a crisis affecting only Newfoundland. It is a national crisis and it is a social crisis. It is a crisis for the thousands of families who live in coastal communities all across the northeastern coast of Newfoundland and Labrador who have absolutely no alternative but to pursue the fishery, the way of life which they and their ancestors have followed for generations.

If there is no fishery, if it continues the way it is, these communities are decimated. Either those families live on welfare or handouts or they have to leave. They have to leave behind that part of the country and that way of life which they have carried on for generations. So it is a social crisis.

It is an economic crisis because 21 per cent of all employed in Newfoundland, 41,800 jobs in 1989, depend on fish harvesting and fish processing. It is a similar number in Nova Scotia. There are 100,000 jobs in Atlantic Canada that are fisheries related. If the fisheries goes, there is no immediate prospect for those communities that depend exclusively in many cases on this industry. This government in seven years and with all the talk and the so-called initiatives about development in Atlantic Canada has not found a satisfactory alternative to those traditional industries which nurture so many parts of Atlantic Canada. The collapse of the northern cod stocks is an economic crisis.

It is an environmental crisis as well because it represents a plundering, mostly by man, of a resource which had heretofore been considered to be inexhaustible. We are discovering that it is not inexhaustible. It behoves us as a society to begin to understand the environmental consequences of the failure to manage a resource, to consider that the pressures on this resource, if they are not checked, will ultimately lead to its extinction, that we take the kind of drastic action nations around the world are beginning to take to control another environmental crisis, namely, the depletion of the ozone or the global warming which we, after ignoring this crisis for so many years, are finally beginning to address. This is a problem not unlike that.

To conclude, because I realize my time is up, I want to point out this is a crisis of sovereignty. It represents a failure of Canada, of this government, to exercise its sovereignty. For the people, not only in Atlantic Canada, but elsewhere in Canada, it is all too familiar. It is all too familiar that this government talks a good line and talks in this House of Commons about all the efforts, as the Secretary of State for External Affairs said just a few minutes ago, it has taken to convince other countries, but still nothing happens. Still we see that in 1989 the economic community overfished its own quota by 44,700 tonnes. It overfished its quota in 1990 by 60,000 tonnes and in 1991, while our own quota dropped from 197,000

tonnes, the amount we were able to catch, to 127,000 tonnes, it over fished its quota by 47,000 tonnes.

It is time, as we have suggested on this side of the House, to unilaterally extend that jurisdiction, to get control of that zone, and to begin managing that resource properly.

The Acting Speaker (Mr. DeBlois): I would appreciate if the hon. member would indicate to the Chair how long he intends to speak.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I would think two or three, maybe four hours, but if I am restricted, I guess 20 minutes will be the maximum.

It has been a long time since I have spoken in this House. In fact, it has probably been a long time since I have been in this House, preoccupied, perhaps unjustly for my constituents, but preoccupied as I have been in the matters of national unity and the Constitution. Not even the Constitution could keep me away this evening.

• (2340)

I want to congratulate the hon. member as well for this debate. I think this debate is important. I think this debate provides us with the opportunity to ensure that all members of this House, and indeed anybody in this country who is interested and is watching, understand how important the fishery is to Atlantic Canada, and particularly to those of us from Newfoundland and Labrador.

I was asked the other day by a reporter who wanted to know about the debate. I congratulated the member and said that what it does is it continuously allows us to reinforce across this country that this is indeed a national issue. This is not some regional issue. This is not something that just pertains to us in Atlantic Canada and primarily us in Newfoundland and Labrador who are most directly affected by the impact of reduced cod stocks.

The fishery in our province I think represents about 6 per cent of the economy. That is just economy. Some people say: "That does not sound like a lot". It probably represents 25 per cent of the employment, and that represents a lot. That is direct and indirect.

As well, in every part of the island of Newfoundland and in every part of the mainland part of our province in Labrador, the fishery has a psychological impact and it has an emotional impact. My family has been involved in the fishery for years. My father took the oldest company in Canada, older than Molson's, out of the fish business in 1967–68. My God, history was being rewritten. They had come from Liverpool in 1720, 1730 and operated in the fish business in our province until 1967 or 1968. It has been a part of me.

It is a part of all of us because we are affected when others are affected, not only in terms of the economy. They always say in Newfoundland and Labrador that you can tell how the fishery is doing by how the car sales are going or how things are going in the hardware business. People say: "What is happening with the fishery?"

For far too long we disregarded the views of the fishermen, inshore and offshore. We sort of said that they have an opinion but they do not understand the science or they do not understand the cycles of fish or their evidence is anecdotal. I like that. I have always liked that, "anecdotal". Finally, thank God, we are recognizing that there is wisdom and knowledge there.

This tie I am wearing is in honour of Dr. Bondar. This is the space agency tie and it was presented to me some four or five years ago. It struck me that we can put Canadians and Americans and representatives of the economic union of states, or whatever flag in the Olympics, people from Indian and Pakistan, into space and we wonder why we cannot find fish. People in Newfoundland and Labrador wonder about that.

Fortunately or unfortunately, aeronautical science or space science is much more developed than fish science. We are coming a long way on fish science. I think it is recognized that in 1974, 1975, 1976 and 1977 when we moved into the implementation of our end of the deal on the Law of the Sea, the imposition of the 200-mile economic zone, our knowledge of science was not that good and it put us in a bind. We made assumptions at the time that were probably invalid on which we made a variety of decisions, repeatedly making mistake after

mistake in good faith, based on the best knowledge available.

We have had to improve our science. We have had to improve our science in the pure science end of the world. We have had to improve our science and the ability to collect more information and to analyse it better. We have had to improve our science and the way we use it, the type of information we provide and the type of decisions that get made on the basis of that science.

In 1986 there was a significant strengthening in the effort in Newfoundland and Labrador, a 22 per cent increase. Under the current Atlantic Fisheries Adjustment Program we are spending something like $150 million over five years to improve the amount of data we have, to improve its collection and its analysis.

We are also doing something that is new and different and is perhaps more significant than all the money we are spending, and it probably costs us nothing. We are saying to the people in the industry, in the inshore and the offshore: "You know about fish, in an anecdotal way, but you know about fish. Come and participate in the process of science, come and tell us what you know, come and tell us what we are doing that might be made better. In the process we will show you what we as scientists do and how it may in fact make your lives better and improve your ability to fish".

Science is an important part of what we do but it is only one component, as I think everybody in this House knows.

We have had an evolution in our fishery. We have the capacity today to catch a lot more fish than we have had in the past, both in trawlers offshore and in the inshore fishery, with the evolution of equipment and gear, particularly the development of the Japanese cod trap. The fishermen in Torbay, Flat Rock, Pooch Cove, Bauline, Portugal Cove, Fox Trap, Kelligrews, Holyrood, Conception, Harbour Main, Brigus, Cupids, Bell Island, and Collier's—please, if I have left anybody out in St. John's East forgive me. It is certainly not to forget the people of Lance au Clair, Loggie Bay, Middle Cove, Outer Cove, and certainly the people of the Battery and Quidi Vidi.

What are they saying about all of this? They say: "All we want is the opportunity to fish. What we need is the fish. As for the rest of it, we can deal with governments at a variety of levels, or we can collectively as fishermen manage the fishery as best we can, to use equipment and the resources of government as best we can". They also say: "If we don't have fish, what is it that we do then?"

They have come to government and said: "We're in trouble, we need help". Frankly, my experience is for the most part that the fishermen who do that are really in trouble and really do need help. They do not ask until that time comes.

In the meantime there are a number of things that government can do. As I think all members know and I am sure my colleagues have said earlier tonight, when the need has been there the government has been there. Certainly there have been emergency response programs in the last three or four years to ensure the fishermen qualify for unemployment insurance. That is something they do not particularly want to do but they must if they can only fish six, eight or ten weeks a year, or as some fishermen in the constituency of my friend across the way who expect to fish in the winter and there are no fish in the winter. We have to provide that protection, and we have been there.

Last year, in response to a critical situation caused by an abundance of ice, we provided about $18 million to try to pick up that slack. As well there was a terrible catch failure last year. All the inshore fishermen are aware of that. That is not to mention the offshore fishermen. We caught just over half the inshore fish last year that we had caught the year before. The government was there. People expect government to be there in the bad times. Hopefully government can be there in the good times, not to hand out money needlessly but to support the development and evolution of our fishery. I want to come back to that.

I want to remind members that the last two or three years have not been good. They have been desperate. They have been desperate for fishermen and their families. They have been desperate for communities and they have been desperate for provinces. Government has been able to provide some support. The Fisheries Adjustment Program has provided $584 or $585 million. As I mentioned $150 million of that was to try to rebuild stocks, improve science, improve monitoring, have more flights and surveillance inshore and offshore to deal with foreigners. Adjusting to current realities is what they call a program that is saying to communities: "You are the source of the solution to your problems. We are there to help you with all the resources that we have including

money". The Public Service has been tremendously supportive.

• (2350)

I also remind members of the ability of two levels of government to work together, the ability of four or five departments at two levels of government to work together, primarily at the municipal level with regional economic development commissions, in developing Community Futures Programs, developing local responses to problems, trying to find opportunities in the fishery, trying to develop alternatives, trying to diversify the economy where possible. We provided about $150 million for that.

It is not enough just to put money into response to the fishery in crisis. It is critical that we build so that when the stocks return, when the opportunities are there, it is a modern fishery that is integrated into an economy based on technology, efficiency, effectiveness and international trade in a competitive way.

The world of the fishery these days is unbelievably competitive. In the old days it was one species against another, one country's cod against another country's cod. We are long past that. The substitution in the large markets has been terribly threatening, particularly to the east coast cod fishery as pollack from Alaska has replaced it in the big American fast food markets which are now our big customers, which are now the source of good contracts for big offshore companies and for many smaller operations that buy from inshore fishermen.

The Atlantic Canada Opportunities Agency played a substantial role in the ability to support the fishery, particularly in terms of fishery's innovation. We have supported the centre for fisheries innovation at the Marine Institute in St. John's which is now becoming part of Memorial. There has been a number of initiatives marrying education with industrial initiatives, bringing people together who have ideas, others who have a technical capacity, others who have a marketing capability, others who have an academic capability that provides some good research and development in market development, product development and health and safety standards.

Today there are 15 co-operative agreements between the Government of Newfoundland and Labrador and the Government of Canada. I guess co-operative agreements are a new way of saying DREE or DRIE or whatever manifestation they have taken over a period of time. It is government sitting down and working out programs to attack problems, to take advantage of opportunities and to deal with challenges. Just going through the 15 of them from my own memory and my own knowledge, some of them I am not particularly familiar with. The inshore fisheries development agreement is obviously direct. NAFTA has provided tremendous support, particularly to small plant operators, to fishermen who need equipment and to those who have innovation and are able to take that innovation and make it grow.

The comprehensive Labrador agreement has done a tremendous amount to improve facilities along the coast of Labrador. The ocean industries agreement is not directly related to fishery, but it builds on the capacity that after 450 years of having a fishery we now have a technical capability that is focused on our marine world. We live along side of the Atlantic Ocean. We have traded across the sea. We have traded with products that come from the sea. We have a capability in our province that involves marine communications and the application of computer and high-technology innovations to a world that is bounded by oceans. One very exciting innovation has been over the horizon radar. We in this country are world leaders in that development and that has come from the fact that our history is based on the fisheries.

As we look at the environmental improvement agreements, the rural development agreement, enterprise agreements, they are focused on what we can do in the fishery. I would be a fool if I stood here and said: "We have done it all. We have taken care of it. Everything is copacetic". It is not. We have a serious problem. The fish that people, communities, companies large and small in Newfoundland and Labrador and Atlantic Canada generally have depended on are apparently not there. Sometimes we wonder: "My God, what more can happen to us?" Sometimes we wonder if it is some bizarre whodunnit and if we just clicked the channels it would all go away. It does not happen. Believe me, I have clicked a

lot of channels lately and it is still there. It is right there in the kitchens, the bedrooms and the boats of people all across Atlantic Canada.

What do we do? We obviously cannot make the fish come back. We have to continue to find ways of managing our knowledge of the fishery, making sure that the decisions we take in the management are based on the best knowledge, advice and analysis available. We have to continue to work with the industry to ensure that we get the best productivity, the best use of the resources we have, and the best benefit to the fishermen, the plant workers and those in between so that we can continue to export a high quality, competitive product around the world.

We must continue as governments provincial and federal to be responsive to needs in times of tragedy, in times of crisis, and in times of threat. We must be there with the support that is necessary to keep the industry moving, to keep the communities whole, and to keep families together.

We must continue to ensure that the world knows that we are under a direct environmental threat that in my view is wanton and deliberate and callous, that is totally uncaring of knowledge of the damage and the threat that is being caused to this resource we have worked so hard to manage, and that we have taken decisions that closed whole communities, that put families and people in jeopardy, literally at jeopardy of survival. Yet the Europeans continue to fish not at levels of the past, not to meet their commitments to reduce, but to increase.

I and other members of this House have gone in good faith to our colleagues in legislatures in Europe. Some think of it as a grand boondoggle. It is hard work. We have sat in the Senate in Paris. We have looked at the bullet holes in the ceiling of the Parliament in Madrid. We have talked to representatives of the fishing industry and communities that go through somewhat the same thing we do. We say: "We want you over there. You have been part of our lives for 400 years. But, by God, if you don't do what is responsible for all of us, there will be no fishery there".

The Prime Minister, senior ministers in this government, senior officials of the opposition parties, colleagues, senior people in provincial governments, industry and labour have gone to Europe, have talked to the Spanish and the Portuguese and have talked to the European Community. We have yelled. We have screamed. We have begged. We have cajoled. I would not be surprised if there were probably a few bottles of rum offered, but to no avail.

At the end of the day what offends me more than anything else is that there is a deliberate, wanton, uncaring process of continuing to take fish outside an agreed management system, threatening the viability of our four Atlantic provinces, Quebec, and this country, without regard for the people who are there. Despite the very direct approaches that process cannot continue.

I end with those words. We have a future in the fishery. We have to manage it properly. We in government with the support of the opposition and others will continue to provide that help, but we cannot continue this environmental threat.

• (0000)

Mr. George Proud (Hillsborough): Mr. Speaker, I rise tonight to take part in this debate on the state of the fishery in Atlantic Canada. It is certainly not a happy occasion because, as has been said here tonight by many of the great speakers that have gone before me, this is not a regional or provincial issue. This is a national issue. This is one of the oldest industries in Canada. It is a vital segment of our east coast economy.

A number of years ago Atlantic Canadians stood on the threshold of a bright and prosperous future as a result of the potential of the fisheries. The extension of the fishing limit to 200 miles should have, in and of itself, guaranteed that the fisheries would be a major income producer in Atlantic Canada.

Instead over the past few years it has become the source of continual economic bad news.

Again here tonight we stand to debate fishery policies and again we hear the government claim it is not its fault. Well it is time for someone to take some responsibility for the sorry state of affairs. If the members of the government do not realize where the blame should be placed, let me tell you the people of Atlantic Canada know.

There is an expression that we are all familiar with that says: "Don't lock the door after the horse is stolen". It is fine to stand up now and say that the northern cod stock, the main part of the Newfoundland and Labrador fishery, is depleted and our quota must be cut in half. Surely a person with the intelligence and the integrity of the current minister, backed by the expertise of his

department, should have been able to foresee this alarming development long ago.

We have allowed this potentially golden goose to be stolen away from the residents of Atlantic Canada because this government does not have the fortitude to deal with the European Community, and other communities continue to plunder this resource.

If the government was as tough on non–Canadians as it has been on the residents of this country, we would not be involved with such things as the disastrous free trade deal.

Earlier this week the minister spoke in the media about foreign overfishing as if it was a newly discovered phenomenon. The presence of foreign trawlers and the lack of effort of policing the fishery off the east coast has been with us for a good number of years. To raise the issue now with such indignation is like trying to convince Canadians that this government is a stalwart supporter of supply management and marketing boards.

Like the marketing boards at the negotiations at GATT, I fear that the fishery has been abandoned by this government. We will now see a bit of window–dressing trying to convince the fishermen and the taxpayers of Canada it is really strongly supporting this fishery.

I fear it may be too late. The horse has been stolen and it is time to replace the watchman at the stable.

We live in a hungry world, a world in which people, such as we who control such a large proportion of the available food supply, should be able to turn to our advantage. It is ludicrous that we should be constantly telling Newfoundlanders and other Atlantic Canadians not to fish. But it is just as ludicrous that thousands of tonnes of fish have been dumped back into the ocean because the government is not able to develop a policy which would firstly protect and secondly conserve this precious national resource.

By allowing others to continually deplete our resources, we are on the verge of creating an economic and an ecological wasteland in Atlantic Canada. Although many people do not realize it, the east coast fishery is one of our very special natural resources.

Why do we allow the fishery, which should be one of the main economic engines driving our economy in the east, to be plundered in this fashion? Why will the government and the minister not stand and defend our east coast fishery and, in doing so, show Canadians how important they believe and we believe this industry is?

There is very little offshore fishing in my province, but the inshore fishermen realize the harm which has been done to their fishery by the management of the offshore resource.

The catches inshore are declining because the fish have been scooped up offshore by vessels from around the world. I can agree with the minister and with officials at the department that there is a limited number of fish.

What I want to see as a maritimer is fish which should be considered a Canadian resource being utilized to the benefit of the residents of this country. Let the minister who had this responsibility develop policies which will see that the number of fish available are used by Canadians. Also let the minister help Canadian firms and companies develop ways to add value to that product.

Let us keep the fish plants operating and let us keep the fishermen of Atlantic Canada fishing. The precious natural resources of our region should not be used as trading chips in the international games any more than the resources of other parts of the country should be.

When John Cabot came to the waters off Newfoundland 500 years ago he reported that codfish could be taken by lowering a basket over the side. No doubt the numbers have declined but I now ask the minister to always remember that those fish in the Atlantic waters are part of our birthright.

Do not mismanage and do not give away one of the things which could bring our economy out of the economic slump we are in at the present time. These are good people, good fishermen, and good workers. Manage our resource to the benefit of Canadians first and to the benefit of the maximum number of fishermen workers.

This is an industry that was built for the small operator. I say to the government and to the minister: Do not turn your back on them during this present crisis.

[*Translation*]

Mrs. Coline Campbell (South West Nova): Mr. Speaker, this is the second time in two years that this House sits late at night to hold an emergency debate on the Atlantic fisheries.

[*English*]

I want to say a few words on the fishery because it is rather interesting to think that less than three years—actually two years and a few months, probably a couple of months, three months—this is the second emergency debate that we have had on the Atlantic fishery.

This has to tell Canadians there is something wrong. We do not need the *Globe* editorials to tell us that this government is doing something wrong, or that it cannot handle or manage the fishery. On this side of the House, we certainly know that. My colleagues and I have fought for many years on the subject of foreign fishing.

This is the third minister of fisheries we have had since November 21, 1988. That goes to show you, Mr. Speaker, that something is definitely wrong with the calibre of this Prime Minister's cabinet in dealing with the most important natural resource that we have on the east coast. It is a natural resource. It is a renewable resource and it is food.

We are debating tonight foreign fishing in and outside our 200-mile limit. I listened to the minister for external affairs. I totally agree with her. Under the 200-mile limit, Canada is fortunate to have such a large coastline and to have such a bounty. That natural resource, that bounty, is food. It is food to feed the world.

Not once did I hear her say, or did I hear her colleague the Minister of Fisheries and Oceans say, that we were going to fish the underutilized fish and put the biggest effort into fishing what foreigners that come from Japan, Cuba, eastern Europe, Europe, all over come to fish. They fish outside the 200-mile limit but they come inside and fish the underutilized species that supposedly are excess to our needs under the Law of the Sea and the share in the 200-mile limit that we were given in 1977.

• (0010)

I was looking at the notes of the emergency debate and I said at that time, over two years ago that yes, there was a crisis yes, we had overcapacity fishing, overcapacity in plants, but we also had over 100 freezer factory ships fishing within our waters, fish that our fishermen could catch.

I have not seen one realistic incentive to put for those boats that have the capacity to go out and fish and those plants that have the capacity to work. We have some semblance of an effort but we do not seem to know exactly why the Japanese come over here and fish and why we cannot do the same thing they do. If it means money, then use the ACOA money that has been wasted for the most part in Atlantic Canada because it has not gone to create too many jobs in those fishing villages which have no longer a fish plant working, have no longer boats working.

I heard one of my colleagues in the House talk about cultural genocide. That is what it is when community after community is hurting because of the lack of a decision or a lack of an ability of this government to have a creative program. We have all that supply there.

Tonight I asked one of the pages who is from Nova Scotia this:

[*Translation*]

"What do you think needs to be done?" This young man, who was about 19 years old, replied: "We have the technology. We can do the whole production. How come it is not being done?"

[*English*]

That is what this government has to say to the young people in Atlantic Canada. Why have we not put money into research and development instead of having the foreigners come over here year after year to catch the under-utilized species? As they catch the under-utilized species they get a by-catch. That by-catch is not a small amount. That by-catch could keep a plant going in one small community in Nova Scotia. Not once has any one of the three fisheries ministers put any effort into going out and saying to the Japanese: "Next year we are catching that fish", or to the eastern Europeans, or to the Cubans: "We are going to catch that fish and we will sell it to you, and if you do not want it, we will get rid of it somewhere else. We will sell it somewhere else because it is food". What does it take to sell food in these countries where people are starving? Not once has that happened and we have had three ministers.

Obviously the intelligence of three ministers is not as high as the young student who said to me tonight what he would do. That is a young person looking at a natural resource on his doorstep. I have to read *The Globe and Mail* and be told that we are always looking for handouts. If this government would start focusing on the fact that we have the capacity, we have the technology to fish and to process. What we need is the political will to change.

I sit back and listen to this debate on foreign fishing within our waters and outside our waters. If we could do away with those 100 or more freezer factory ships that come well equipped to process fish for those countries that we should be fishing, I would think as you did away with the effort of those 100 ships or more, they would not have the same desire to come and fish outside the 200-mile limit. Perhaps again we might be able to show NAFO we were serious about what we were doing within our 200-mile limit. As we came to show we were serious, they would begin to put teeth into what the foreigners are overfishing and what they are doing in raping a natural resource. It is a bounty that we do not mind sharing outside, but certainly within our 200-mile limit. We are not a very strong example to the foreigners who have come repeatedly and repeatedly and in larger numbers every year to fish stock that we are forbidden to fish because they have a by-catch in spawning areas.

I know my time is coming to a close, but I have sat here and listened to the ministers. I cannot believe there is that inability to react. I cannot believe the fisheries committee has not met. I heard the chairman tonight. I cannot believe people at *The Globe & Mail* can just write an editorial crossing us off and saying we are going down the road again or Atlantic Canada is going down the road. I cannot believe they can be so stupid to not criticize this government instead in an editorial once in awhile.

We are going to see our agriculture go out the window if the GATT agreement is signed. The Prime Minister says it may come to that land we have to sign it. President Bush is not saying that. We have a Prime Minister who is going around saying we may have to sign it. The President is not saying that.

It is the same thing here with the overfishing and the foreigners' fishing. We do not have a Prime Minister who is going to stand up and say that we are going to protect our natural resources first.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Thank you very much, Mr. Speaker.

We have before us tonight a motion for the purpose of discussing a specific and important matter requiring urgent consideration, namely the situation in the Atlantic fisheries sponsored by the hon. member from Burin—St. George's. Truly this is indeed an emergency situation and a situation in which we from every side of the House of Commons have every right to take part in and put our collective minds together.

Earlier this week in the local paper, there was an article entitled "Where Have All the Fish Gone?". It was written by Elaine Flaherty from Southam News Service out of Halifax. It says:

> The accounts from the early explorers of Newfoundland described a sea of plenty; cod fish that swarmed to snatch bait from a man's hand; fish so thick by the shoal that we hardly were able to row a boat through them. The northern cod fishery built a sustained Newfoundland. Historically, it is the reason for the province's existence and today it accounts for about 30,000 jobs in Newfoundland and $700 million of the country's economy.
>
> A popular poster showing an old photo of a small child dwarfed by an enormous fish beside him underlies the rock's resilience on the fishery. "In cod we trust" it reads. Today that trust is seriously undermined, if not gone like the abundant catches of the past. All last summer fishermen off the coast of Newfoundland and Labrador hauled in empty nets and wondered about where the fish had gone. This week the scientists delivered the bleak news.

The news delivered by the scientists was a very sobering scientific report of the state of the northern cod. It was made public this past Monday. It was discussed at a special meeting of provincial fisheries ministers and the Atlantic groundfish advisory committee. The Canadian Atlantic Fishery Scientific Advisory Committee or CAFSAC have told us that the northern cod biomass has declined from 1.2 million tonnes in 1990 to 780,000 tonnes in 1991. Truly that is a remarkable change in one year. The spawning stock has dropped to 130,000 tonnes from 270,000 tonnes. We from the west coast do not understand that the cod stocks on the Atlantic live for several years. Seven years is really the prime of their existence. On the west coast the cycle for salmon is four years and after they spawn they die. In the Atlantic it is different. We want to make sure that there are sufficient spawners. They start spawning around age three. The hon. members opposite from the east will know this far better than I do, being from the west coast. Nonetheless the spawning biomass has been seriously depleted and the new numbers that have come in have really been shocking.

• (0020)

Catches of northern cod have been falling since 1988. Last year barely more than two-thirds of the Canadian quotas were caught. The minister is now considering the CAFSAC report and the views expressed at the meeting and is consulting widely with the representatives of industry. I am sure we can expect an announcement shortly on the government's response to this serious situation.

Earlier tonight the minister said he would be making his announcement next Monday. I know it is his plan to be back in Newfoundland for the latter part of this week.

In considering what to do it is clear that the government must put a priority on conservation and the long-term health and viability of the stock. It must also consider the potential impact of quota cuts on the incomes and well-being of inshore and offshore fleets, on fishermen, on plant workers, on the communities in Newfoundland and elsewhere which depend on the fishery.

Another very important factor in this complex equation is the continuing supply of this important species of fish to world markets. Although it is only one of twelve Canadian cod stocks, northern cod is by far the most important. We are known and want to continue to be known as reliable suppliers of cod. We need a balanced response to the new situation but we also need a balanced perspective on the complete picture for Canadian fisheries. We still have an ample supply of Canadian cod for the marketplace this year, not to mention other species of fish, shellfish and seafoods.

I do not need to explain the benefits at the end of the chain, to the retail market. However, we do need sound fisheries management that can be promoted from year to year so that there is a reliable resource and a source for the retail market.

In another paper in an editorial entitled *Less Fishing Will Replenish Stocks* it said: "NAFO recommended a northern cod catch of zero for 1991". Earlier tonight we heard people commenting about the overfishing by the Europeans. This article goes on to say: "The European Community fishermen ignored NAFO's advice and caught an estimated 42,000 tonnes of northern cod last year compared with 132,600 tonnes by the Canadians in the rest of the area. If a resource management regime is to be effective it must cover the entire resource. Otherwise our efforts to conserve stocks will only benefit and be neutralized by the foreign fleets who catch the fish when they cross the 200-mile limit".

Some tonight have suggested that Canada should unilaterally take possession outside the 200-mile limit. However that is easier said than done. The Secretary of State for External Affairs has explained to us tonight some of the things we would have to watch in trying to do that. It is all very well to talk about gunboat diplomacy but is that the real answer that we need? Once again we must try to see if we can get our European neighbours across the Atlantic—in particular two countries, Spain and Portugal, that we feel have not played by the rules as the others have—to joint in.

There is also a suggestion concerning the number of foreign licences permitted to fish within our 200-mile limit. It must be remembered that these are for the species that Canadians have not caught, have not wanted to catch, and in some cases have not been able to catch because we do not have the equipment to do it. I am sure this will have to be seriously looked at in light of what is now taking place in the industry.

We also know what has been taking place since we had to stop taking young seals. Now we only have some culling of the adult seals. We now know that the numbers of seals have more than doubled from what they were some five to six years ago. We know they feast on part of the food chain within the fisheries. We do not know precisely what they eat but we know it starts with the capelin. If they eat the capelin then it is not there for the cod to feed upon to allow them to continue their growth cycle. Therefore, very serious consideration will have to be given to how to handle the seals and how to cull them much faster than they are now.

Tonight we have heard a great deal of blame being attached to the present minister. This minister has been in this portfolio less than one year. This minister has been part of the government during the downturn in the northern cod stocks. However, I think it is most unfair for people to hold this minister responsible for the drop of the biomass and problems like that when our own scientists have changed their estimates of what was out there just within the last three months. The advice they were giving to this minister has changed negatively, very

drastically, from as late as November and December of this past year.

It is a situation in which we all must be vigilant be very much aware of the people who are going to be affected if the minister has to announce on the weekend a serious cutback in the amount of fish that will be allowed to be caught over the next several months. We know this resource is renewable. It is something that will not become extinct. If we carefully nurture and watch over this resource it will renew itself and return to the condition it was in and has been in for these many years.

I would ask the indulgence of members opposite as well. I would ask that during Question Period in this House they ask the questions that need to be asked. However, by the same token, it serves no useful purpose to do it in such a way as to cause hysteria in people's minds because their constituents are watching at home. What kind of a message are they trying to send? Are they trying to say: "Oh, it is all the government's fault" when nature has a very serious influence on what takes place.

We, in this government, have done many things. However, I am sure that we do not have much influence on what nature does. We did not have any influence over the ice situation which affected the fishery last year. When there are changes in the atmosphere or in the water temperatures, whether it be on the east coast or west coast, the government does not have any control over them.

Yet it seems that some members opposite take great delight in fingering government members as the ones who could have an influence over that.

I welcome the opportunity to take part in this debate. I want those on the east coast, particularly those in Newfoundland who are going to be more seriously affected by this than any other single group of people, to know that we all care deeply about them and their welfare. We will be doing everything possible to make sure that we are able to tide them over through these next several weeks and months.

Mr. George S. Rideout (Moncton): Mr. Speaker, this is a difficult issue we are facing here this evening. It is with thanks to you that the emergency debate was allowed. As has been said before, an emergency debate is an unusual thing and is something the Speaker does not normally grant that readily. From our vantage point, it shows the seriousness of this particular crisis in the fishing industry.

We have heard all kinds of talk this evening, with blame and all those sorts of things attached to the issue. I think we have to look at this as a national issue, the impact on all of Atlantic Canada and really all of Canada. When you look at the number of people who are involved you see astounding numbers in the hundreds of thousands of people. Even in my own province of New Brunswick there are almost 12,000 or 13,000 people involved directly as fishermen and plant workers in the fishing industry. This all has an impact. What we are seeing in Newfoundland could very easily be happening somewhere else. You really have to ask yourself this question. You can give the government the benefit of the doubt and say it managed this industry properly, everything worked out fine and it is just an environmental catastrophe that struck out of the clear blue and there was nothing that it could do. The other answer is that it has totally mismanaged the industry and there was a whole bunch of things that it could do.

• (0030)

Either way, no matter which way you look at it, and I am sure that people in Newfoundland would agree, if the industry was properly managed, they would have anticipated this problem. There were warning signals that had been cast about for the last number of years. I know that we on this side and the members from Newfoundland in particular have been warning the government year after year, Question Period after Question Period, and the fishermen the same. This government tinkered. It did not actually deal with the problem. It was a tinkerer rather than finding the root problems and solving them. Now we have the crisis and we are going to go into crisis management. That, again, is not the way it should be done. We are facing mismanagement of a resource. That is the reality of the situation and something has to be done.

We know there is overfishing. We have heard all the statistics of the European overfishing. We realize that is the nub of the issue, probably the thing that grates the

most. We know there has been illegal fishing. It has occurred year after year after year and nothing has been done, and so the frustration does come forward and people are concerned. This has caused the environmental problem. You see things and you scratch your head and you try to wonder what will be going on in people's minds when they give a quota to the CIS, the Commonwealth of Independent States, formerly the Soviet Union. They give them capelin, the feed stock of northern cod. You just scratch your head and ask why they would do that. Yet they did. Then they say that it was an environmental disaster. Granting the licence was the disaster. It had nothing to do with the environment.

This is where we become frustrated. I feel compassion for Newfoundlanders who sit there and watch Brigitte Bardot and other Europeans come over here and say: "No killing of seals, we can't allow that, this is a terrible disgraceful thing", the movies, the news items and all the rest of that. At the same time they will come over here and plunder our fish stocks. You say: "What a bunch of hypocritical you-know-whats".

We realize that presently the statistics show something like three million to four million seals are in the Atlantic coastal region. I am sure that you realize this, Mr. Speaker, but others do not. Those three million or four million seals are making about 300,000 baby seals every year and every one of those is a hungry mouth. We have all heard the statistics on how much they eat. We have an environmental problem there. I was thinking about that. It is just an aside but if we are going to deal with that and were to cull that herd, what are we going to do with the cull because we would have to cull probably 300,000 to 500,000 seals? Where are you going to put that cull? What are we going to do with it? We have got ourselves in a mess. We in Atlantic Canada have to be concerned. If the mess can occur in such a major resource as the northern cod stock, what can happen in the rest of Atlantic Canada, in the Gulf of St. Lawrence and the Bay of Fundy, areas that affect my riding?

I think we have to go back to square one to see if we can adopt a plan and take the necessary steps to have something that functions properly. We can talk and we can make suggestions and all the rest, but we have to try some things. Rather than saying it cannot be done and that we had better not attempt it, let us try some things.

We could take a look at the nose and tail. They say it cannot be done, therefore, we will just let it go. Why do we not opt in favour of doing something that may work, rather than giving up before we try? Why not extend our limits to include the nose and the tail of the Grand Banks?

We hear reports from our military as to how successful they were during the Persian Gulf war. What was their task in the Persian Gulf war? It was not to engage in combat as much as to verify and support the blockade of Iraq.

I think we should use those same initiatives and those same skills, because our Canadian troops were the best over there, to verify the overfishing and to prosecute, capture and bring to justice those people who break the law. We have the capabilities and the abilities to do that.

I will hear the arguments from the other side about gunboat diplomacy, et cetera. Maybe that is true. But I look at what happened with Iceland and Great Britain and when the Icelanders stood up and said: "Enough is enough and we are not going to put up with it any more", we knew who owned Icelandic cod. It was the Icelanders and not the people from Great Britain. They were a small nation and they took on the big nation and they came close to winning.

Therefore, we have to try the same thing. Rather than saying it cannot be done and there is no point in trying, let us try to do something to salvage this situation.

I know my time is going by quickly. I say to the people in Newfoundland that this is not the end of the world. This is a renewable resource. There are things that can be done. I am just very concerned about the management of this type of problem by this government.

We in Moncton faced a similar problem. We lost 1,500 jobs and this government's attitude was: "It is just a cyclical thing in the economy. It will go away. Do not worry about it". That is the attitude it seems to be taking in this particular matter.

We as parliamentarians in this place must send a message to the people of Newfoundland that we stand with them and that we are going to be there and support them all the day long, as they say, to make sure that they do not have the heartache, the stress and the impact on family life and all of those things that are associated with

the fact that they are out of work and the appearance is that they have no future.

Newfoundland will rise above this particular problem. We have to be there to help. That is the role of Canadians, That is the role of this place and that is what we are going to do.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I am very pleased to stand tonight as a member from Ontario to support my colleagues from Newfoundland and from Atlantic Canada in general.

We in this country have to realize that we as Canadians must stand together or we are going to hang separately. What we need in this country is a good dose of medicine called national pride, national meaningfulness. We are going to support our own to the same degree that other people who are taking advantage of us are supporting their own. But we will not go around stealing from our neighbours. That is what is happening in many issues in the fisheries today.

• (0040)

It is a lack of proper conduct on the part of the international community. A lot of it is coming about because there is no muscle in Canada to say: "You cannot do it".

If next week when the budget comes down there is a cut in the shipbuilding program, then this is a clear signal that we will not have the additional ships that we are going to need to guard our fisheries here in Canada.

I remember very well that in 1984 during the election campaign the present Prime Minister criss-crossed this country and said: "If you just give me a chance to be Prime Minister of Canada, if I just get there, I will guarantee that in a few years' time, you will not recognize Canada".

Little did we know how meaningful that statement really was. We wish he had kept his other promises as well as he has kept that one.

The importance of the fishing industry to the GDP of each Atlantic province in commodity producing industries in 1986 really impressed me: Newfoundland and Labrador, 20 per cent; Nova Scotia, 15.8 per cent; Prince Edward Island, 15.9 per cent; New Brunswick, 5 per cent; and while the corresponding number for Quebec was less than 1 per cent, the industry is vital in the Gaspé and the north shore region of the St. Lawrence.

Tonight I listened to the member for Cardigan who delivered a very good speech on behalf of his home island of Prince Edward Island.

About 500,000 Atlantic Canadians live in 1,300 small fishing communities strung along thousands of miles of coastline. That last statement reminds me a great deal of the situation in northern Ontario and eastern Ontario where lumber is so important and where there are so many small communities. They too are in trouble.

There is proof, absolute proof here. I was amazed at some of the figures on the overfishing of the fisheries area around Newfoundland. It is sad that people around the world, with all the talk about the environment today, seem to have absolutely no respect for conservation.

Over the years of Canadian history there are three things that have been very important to the Canadian economy. One is fisheries. Far beyond the years of Confederation and right back to the early days of the first settlers, the fisheries were important.

The history books tell us of all the problems of the fisheries over the years. They were not problems necessarily on conservation but problems with foreign countries coming and taking the fish out, too many at one time.

Forestry was another main staple in the Canadian economy. This government has certainly fixed that industry today, too. It is in serious trouble.

The person who was responsible for undermining our forest industry, particularly softwood lumber, was rewarded by being appointed to the Senate. There was no fight there at that time, but worse still, there was no judgment in that case.

The third one was agriculture. Look what is happening to agriculture today. On Friday you will undoubtedly have the most farmers on Parliament Hill and in Ottawa than you have seen over the years of Canadian history.

That is because article XI of the GATT may be lost. If it is, the Liberal legislation that set up marketing boards in this country will be meaningless to farmers because they will lose their marketing boards. They will lose their milk quotas that they paid huge prices for over the years. It is a terrible issue for Canadian agriculture. Worse still, they talk about tariffication. We cannot put up tariffs against the United States to protect the farm industry in Canada. The Americans are going to come after us because of that insincere free trade agreement that we signed. They have been very insincere about it. We have all kinds of non-tariff barriers going up today.

The government is not fighting hard enough to protect the fisheries against intruders. It is not fighting hard enough to retain article XI of the GATT and hence save Canadian farm marketing boards and jobs in Atlantic Canada.

The government has not put into effect the necessary resolve to deal with those European countries that overfish in the Canadian Atlantic fisheries. Where is the Canadian resolve in dealing with the European community? It is failing in the farm discussions and it has failed in the fisheries.

I would like to remind Europeans tonight that during World War II convoy after convoy of food was sent from this nation of Canada to feed the civilian population in free Europe and to feed the Canadian armies and other armies that were situated on British soil. It is time that these European countries for which many young Canadians risked their lives and lost their lives, both in the merchant navy as well as in the active forces during World War II, remember that Canadians sacrificed for them. The least they can do today is respect international law that involves Canada. That is all we ask. Surely it is not too much to ask people to live up to decent agreements in the world. Memories are short unfortunately, but history is long and history records the real facts of life.

The underlying problems of the fisheries catastrophe that we are discussing tonight must rest at the very heart of the present government. We have heard that they do not want to hear tell of gunboat diplomacy and so on. The present system is not working. We are not doing the work in the diplomatic areas that we should be doing. Canada is not being respected. That message has to get through to the people who are not living up to the agreements with Canada, be they in fisheries, farm products or whatever.

These people have shown no respect for the Canadian government when discussing farm marketing boards. They show no respect for the Canadian government when discussing fisheries. We have a free trade agreement with the United States and what are we getting in return? All kinds of non-tariff barriers are thrown up.

It is time that we had a government in Canada that will fight for Canadians and not try to appease everybody in the world that is going to break international law and agreements with us.

We need a government that has some courage. We need a government that is willing to stand up on its feet and show some resolve, a government that means business when dealing with the international community. The day is over for a government that is too wimpish to take a strong stand on anything.

I just want to say that it is time not only to complain and march in Canada, but it is time to tell Europeans and others who are trespassing on the rights of this nation, on our sovereignty, to start abiding by agreements. It is time to make it plain to the world that they are not.

We did not pay the price in tens of thousands of lives of Canadians and in hard work in building this country only to sit back and be taken advantage of by other countries. From now on a national spirit in this country is needed that means resolve, determination, and play the game right.

• (0050)

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I just wanted to say that there are two speakers left on this side of the House, myself and the member for Gander—Grand Falls. We will be taking our full period of 20 minutes each.

I want to start by saying that I compliment you, Mr. Speaker, for accepting on such short notice the request of my colleague, the member for Burin—St. George's, for an emergency debate on this issue. Your Honour has been sitting in the chair for many hours today. You have been here often during the last two and a half weeks and know that I have been promoting and advancing the idea

that on priority issues such as this we should take advantage of the time we are here in Ottawa when the House of Commons is sitting to extend the hours. I thank you, on behalf of all of us in this House and on behalf of all the people in our communities who want to know, when times are tough like this, that their members of Parliament are advancing debate in a constructive manner.

I must say that I believe the tone or tenor of debate tonight was the kind that many of my constituents would want to hear. Even though we tested the government or challenged the government tonight, there were positions put forward on both sides that I think should provide the beginning of some feeling of hope to Newfoundlanders, the people involved in the fishery. It is not only the fishery but people from all regions of the country. I mean, as the member for St. John's East said, direct and indirect employment is close to 25 per cent.

In my community of downtown Toronto losing 25 per cent of our employment is something beyond imagination. Our community could not function with an unemployment number that high. It is incumbent upon all of us to make sure that the government is seized with this issue and understands that the political will on this side of the House and on the government side as well is going to be there and is going to press the Prime Minister and the cabinet to act on this issue.

I could not help but reflect, as I was listening to the debate this evening, on what makes the leadership of this country, the Prime Minister, different from the previous Prime Minister who led this country, the Right Hon. Pierre Elliott Trudeau, a Prime Minister I had the honour and privilege of serving from 1980 to 1984 on his personal staff.

I tried to reflect, because we had times that were difficult in 1980, 1981 and 1982. We had a crisis in terms of the recession. It was one of the worst recessions that ever hit the world at that time. There are many differences between Prime Minister Trudeau and the present Prime Minister, but the one main difference is that Prime Minister Trudeau was a force in international affairs.

He was a force that was respected; he was a force that was admired and he was not afraid to take on the tough issues. When I say that I am not trying to suggest that the current Prime Minister could not do some of the same. What I am suggesting is that he is not doing enough of it.

Here is a perfect example where the Prime Minister of Canada could take a page out of Pierre Elliott Trudeau's book and he could call up his chief of staff and say: "Get the JetStar ready. We are travelling to Spain. We are travelling to Portugal. We are travelling to wherever we have to go and we are going to put this case before the leadership of those countries that are causing this problem".

I am not suggesting that this is an easy task. I am not suggesting that the Prime Minister will score the first time or the second time that he does this, but he must try.

Right now, the foreign policy of this country is basically being influenced and directed from the forces of Washington. It has affected our entire economic policy. We got suckered into a poorly designed Free Trade Agreement and we continue to flounder in that area. In the process of trying to cope with that poorly designed Free Trade Agreement, our national spirit has dissipated.

When that national spirit dissipates, when it becomes a weakened spirit and there is a crisis like we have right now in Atlantic Canada, in Newfoundland specifically, do not think that the world forces do not see, do not smell our weakness. They do and they take advantage of it. They are taking advantage of it right now.

I just came back from the Middle East. I spent about 10 days in Syria and Amman, Jordan. The people in the Middle East have warm feelings toward Canada, but they wish that we would once again develop our own foreign policy. They wish that we would stop being a mirror image of the United States of America. This example of foreign overfishing is one of people ignoring the basic laws in relation to the environment.

I cannot believe that in this debate tonight we have not had the Minister of Environment here. This makes a mockery of the green plan, what is happening here in Atlantic Canada. This makes a mockery of some of the projects that we are involved in, in terms of Global '92, in Vancouver. This makes a mockery of our plan in Rio de Janeiro in June.

• (0100)

This is an environmental disaster equal to the oil disaster in the Persian Gulf.

I would like to know where Greenpeace is. What hypocrisy, Greenpeace. Where are all the non-governmental environmental organizations this week? Where are they? Are they intimidated by *The Globe and Mail*? I cannot believe it.

The priorities on this issue are upside down. This is not a regional issue this is not a national issue. This is an international issue. This is an international issue because we are custodians of that fishery, not only for our nation but for other nations on this planet. If we show a lack of will, a lack of fortitude, if we show an indifference toward the international environmental justice, if we show an indifference, what is the next stop? Is it going to be the Americans taking water out of the Great Lakes and we sitting back and just letting it happen?

Is it going to be something on the west coast where my friend must have concerns? There is west coast exposure in terms of the environment, in terms of sovereignty. My colleague for Cape Breton Highlands—Canso earlier in his speech this evening talked about sovereignty. This is an issue of sovereignty. Just because it is happening in a region of our country where it is not easy for the national media to get to it, it may not be as sexy for the national media.

We have to stop letting the national media control the agenda of this nation. We as members of Parliament have to control the agenda. We have to let our voice be heard, not only here in this House of Commons but we have to make sure it is heard in all the other international courts. If we let this issue rest, it is going to be the beginning of a series of advantages that other nations will take from our own sovereignty.

As a member from an urban riding from Toronto I am happy to have the opportunity to speak on this issue. There are close to 5,000 people in my community who are from Newfoundland. Many of them have parents and friends, aunts and uncles still living in Newfoundland and they expect my voice to be heard on this issue. Toronto, contrary to what many people will say, cares about this nation as a whole. Like Charlemagne once said to his son: "Give me one spear and I can break it over my knee easily. Bring me ten together and I have strength". On this issue, all sides of this House must act together. We must encourage the Prime Minister of Canada to take a page out of Pierre Trudeau's book, get his foreign policy act together and start speaking for Canada, and leading Canada.

The people of Canada are saying there is a tremendous void of leadership in this country right now, that the Prime Minister is not leading, he is retreating. I say this without malice toward the Prime Minister but on this particular issue he needs a little nudge. He needs a little bit of a push and he needs to be told, in a very humble, direct way that it is time to fight for some international, economic and environmental justice.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I will not be very long. It is pretty late and I am sure that a lot of people are a bit tired at this hour in the morning.

I suppose it is fitting that I have the last words on this emergency debate and, as I say, I will be very brief. It is fitting because I am the only member in the Chamber whose riding lies entirely in the middle of the northern cod stock zone.

My riding to the east has a community at the very end called Deadman's Bay and in the west a community called Nickey's Nose Cove. Those are the extremities of my riding and both of those communities are within the 3K fishing area on the map. The northern cod zones are 2J, 3K and 3L. I am the only member in this Chamber who has the privilege of having a riding so located and of having 13,000 licensed fishermen in his riding; not 100, but 13,000 who fish only the northern cod stock. They fish nothing else.

There are families who migrate during the summer, who take their children and put them on a boat and go up to the Labrador coast and spend the entire summer there in communities. One of the communities is called Punch Bowl. I do not suppose, Mr. Speaker, you know where Punch Bowl is, but everybody in the middle of my riding knows where Punch Bowl is. For the first time in the 18 years that I have represented those 13,000 fishermen, I had to arrange for welfare to bring them back, men, women and children, because there were no fish.

For the first time in 18 years I went down to a meeting in a place called Crow Head recently. It was in the month of December. There were 67 long linermen, crews, 67 vessels, and they did not have enough for unemployment insurance.

• (0110)

They had to arrange to go out and pick up rocks and garbage under the snow to get their stamps, their unemployment insurance stamps. This was a works program of the federal government for the best fishermen in the world, the longliner fleet.

The hon. member for Burin—St. George's who moved this motion in the House today knows exactly what I am talking about. In fact, he knows some of them personally. The greatest fishermen in the world were picking up rocks and garbage under the snow in order to get enough unemployment insurance to feed their families. It never, ever happened before in our history.

I want to restrict in my few remarks to only one thing. I am not going to talk about foreign overfishing outside. I am going to talk about something that the Government of Canada can do and do now. I am glad the parliamentary secretary is here. Next to the minister, he is the most powerful in the Government of Canada.

The 100 foreign vessels inside the 200-mile zone area licensed by Canada. Those people who believe that they do not have anything to do with the shortage of fish must believe that crew members on those 100 foreign vessels are suntanning.

The crew of 15 factory freezer trawlers from Cuba are around Newfoundland suntanning, because what else would they be doing? Playing bridge, or cards, or cribbage? Do they have an indoor pool? Their boats are big enough, they are 400 feet long. Do they go down and play video games? When you go inside the control room, it looks like *Star Wars*.

They are all at the television screens and they control their nets by remote control. The nets go down and around every bump in the ocean. They pick out the fish they want. *Star Wars* in the Atlantic Ocean.

Maybe they are playing video games for those people who do not believe that those vessels are harming the fishery. They must believe they are either getting a suntan or playing Pac-Man on the Atlantic Ocean.

I want to make just one brief reference to what the minister and the parliamentary secretary said. I noted it very clearly. They said: "The species of fish that foreign nations are catching legally"—these are the only people I am talking about, not the illegal ones—"are only catching it because we are not able to catch it or we are not interested in it".

I want to tell the minister and the parliamentary secretary that there is no such thing as an under-utilized species in the Atlantic Ocean today. The only under-utilized species in our ocean are our fishermen and fish plant workers. Those are the only underutilized species.

I will explain to the parliamentary secretary exactly what I am talking about. They are granting 100 licences to various nations. The hon. member knows the nations I am talking about: Cuba, the Soviet Union, Bulgaria to a certain degree, Norway, France, and so on.

These nations may not have quotas of cod in the northern cod zone, but I will tell you what they do have. They have quotas first of all for squid. The 401 for squid is off the province of Nova Scotia. Squid are born in Florida and they die in Florida, the species that we have. They know where to go to die, don't they? When they are born they come up the coast of Canada and they pass to within 80 miles of southeastern Nova Scotia. It is there, the food supply of the cod. The squid we made so much money on in 1979. Men, women and children drawing squid, everybody was happy. Everybody had clothes to put on their backs to go back to school, everybody bought their books and shoes to go on their feet. They did not need welfare, they had squid. That squid is a restricted fishery in Canada today. I cannot get a licence to catch squid. A man on welfare cannot get it. A woman on welfare cannot get it. Not even a fisherman can get it unless he fished it previously for the last five years.

It is restricted, but Cuba has 15 factory freezer trawler licences this year to catch squid in our waters off Nova Scotia, right on the 401. The black line of squid come all the way up past Nova Scotia, go in around Cape Breton, on up the Quebec shore and New Brunswick, up around

Newfoundland and right back down to Florida and then they spawn and die.

We have not seen squid now since 1979. Is it not funny that Cuba and the Soviet Union with 25 factory freezer trawlers and scientific knowledge so accurate that the moment those squid are big enough to catch when they get inside our waters past Nova Scotia are there. The 25 of them are there and they put a barrier across the 401 and catch every squid that goes up there.

We do not see squid anymore. The hon. member can check with the Department of Fisheries and Oceans and it will say that it is an under-utilized species. The poor man on my coast who cannot get a licence says: "Oh, yes, underutilized. How is that?" The minister stands up and he says: "But it is the law of the sea. We have to give anything in excess of Canada's needs". What is Canada? It is not National Sea Products Limited and Fisheries Products International. These are the people who are asked: "Do you want this squid quota"? The man trying to support his family is not asked.

The newspaper editor phones the Department of Fisheries and Oceans and is told: "Oh, no, this is in excess of Canada's needs". What does a newspaper editor here in central Canada know about the poor man and woman who cannot get a licence. The squid never reach our coast anymore.

It is the same with our capelin. We cannot get licences for capelin. It is a restricted fishery in Canada today. Only certain people can fish capelin and only in certain bays. You must have a certain size boat and you must have three in your crew. The Russians have 50,000 quota in my riding and Canada has 20,000. Capelin is the main food supply of the codfish.

If you were trying to catch a codfish out in the ocean—I have done it many times all my life—you would go out and you could put bubble gum on your hook and you would catch a codfish. Any child will tell you that. You could use a piece of cotton or something. However, the really good food is the squid and the capelin. Then if you had a piece of mackerel or herring just like a lobster.

Two years ago for the first time since the early 1970s Canada approved four factory freezer trawler licences for Bulgaria to fish—where? We have the biggest spawning area for mackerel in the world in the Gulf of St. Lawrence. Since the Canso causeway was built in 1954 the mackerel cannot get in that way any more. They go through Sydney Bight at the end of May and spawn in June in the Gulf.

By September those fish are nine inches long and they go right up around the northern cod zone and they are eaten by cod fish. Lo and behold, who had the nets up? Bulgaria, compliments of the Government of Canada with a 30 per cent by-catch of herring, the largest by-catch our fishermen could ever have in our entire history since we joined Canada in 1949. I can remember the day. The largest by-catch my people ever had was 10 per cent. Bulgaria had 30 per cent. When you look at the licences, everybody has 30 per cent if they are foreign. You have your capelin, squid, mackerel, and herring to a certain degree. What is the codfish supposed to eat in the northern cod zone? There is nothing left. They are scrawny. They are thin. They are not even spawning at seven years anymore.

One further point I want to make is this. I have done research since becoming a member of Parliament. I represent 13,000 full-time fishermen. When I say full-time fishermen, I think twice about it because I think about all of those people out there who are part time or less than part time who are not allowed to get any of these licences that the foreign factory freezer trawlers have, none of these licences. Imagine, I have had fellows write to the Soviet Union and ask for a portion of their quota. Imagine. I sent a covering letter to the embassy here. We give them a portion of the quota in 3K in the northern cod zone. Of course the Soviet Union writes back and says no. Imagine, a Canadian asking the Soviet Union for a portion of his quota in the northern cod zone for capelin.

My point on the spawning is this. When you examine all of the scientific reports on spawning they are very interesting. It is interesting how a codfish spawns. A codfish takes about four weeks to spawn. Actually the male cod grumps for two weeks. You did not know that before, parliamentary secretary, but a codfish actually grumps prior to the two weeks spawning period. He selects his female. It is a very complex system. Just like your living room, he maps out this area, and he selects the female cod for two weeks. Then they spawn for two weeks. Every scientific study that has ever been done on the spawning of cod in captivity in incredibly large tanks and in bays show one thing. If you drop food down during

the courtship period or the spawning period, the codfish will go mad and they will collide with the sides of the tank or they will disappear. You cannot disturb them during their two week pre-spawning and during their two weeks of spawning. Who disturbs our codfish today on our spawning grounds?

Do you know that the policy of this country is that we are not certain? You speak to any scientist in Fisheries and Oceans and he will tell you that it is Canadian government policy to allow anybody to fish during a spawning period because we have never had a situation in Canada as long as they have studied cod when there has been no fishing during the spawning period. They cannot tell you whether it has any effect on the spawning of fish, that is allowing boats to fish in that area.

Who covers the main spawning areas of Canada during the spawning season, the Hamilton Banks, the Funk Island Banks? Ninety per cent of our spawning areas are inside the 200-mile zone. You know who covers it? It is those factory freezer trawlers. We do not have any factory freezer trawlers in Canada other than one. National Sea has one. Do not use it. A government fell in Atlantic Canada, I would say, when a fisheries minister approved factory freezer trawlers. We do not have one. Our boats are maximum size, 174 feet. Some of these foreign vessels are 400 feet long. These vessels go with their modern *Star Wars* gear through the very zones where codfish are trying to spawn during the spawning season.

So add two of those things together. You take away the food of the cod and you take away the privilege that codfish always had while the ice was in in February and March of being left alone, relatively apart from our own offshore fleet which is about 42 vessels, compared to the 100 from foreign nations we license to catch so-called underutilized species. Those are the vessels that disturb our spawning ground.

You add both of those things together. Yes, you can mention seals as the hon. member did. We have a law in Canada today. You are not allowed to get a sealing licence. I bet you did not know that.

The law was brought in by this minister of fisheries. There was no announcement made but you cannot get one for food. A man cannot get one for food, unless he had one for the past five years.

We are limiting Canadians, telling Canadians that you cannot do this and you cannot do that, saying for the sake of the law of the sea in excess of Canada's needs must be given to a foreign nation. It is funny. We are the only nation in the world that interprets the law of the sea that way.

We are not allowed to go within 200 miles of any nation in the world. Not one nation are we allowed to go within 200 miles and fish, even to put a hook over the side of a boat. We would be arrested. We are the only nation in the world that allows it.

The last one that stopped it was Namibia, that big powerful nation just north of South Africa. That small nation last November said: "We're not going to put up with this any more. We are not going to put up with the—

The Acting Speaker (Mr. DeBlois): Order, please. Your time has expired.

Mr. Baker: One minute to wrap it up.

The Acting Speaker (Mr. DeBlois): One minute, the hon. member.

Mr. Baker: As I was saying, the vessels from Spain and Portugal that the hon. member who moved this motion from Burin—St. George's knows so well, 100 of them left the coast of Namibia and ended up off the hon. member's riding on the nose and tail of the Grand Banks. That is where they ended up.

In conclusion let me say this. It is not very nice to have your constituents, full-time fishermen, unable to go out and fish. They look out in the water 12 miles off and see the flags of Japan and U.S.S.R. All these nations catching such things as Greenland halibut which we know as turbot. That is our mainstay but it is listed here as Greenland halibut by the Department of Fisheries and Oceans, underutilized species. Our fishermen have fished it for hundreds of years. It is their mainstay. It is flatfish. Foreigners fishing; Canadians are not allowed to fish.

Anybody who believes that foreigners do not have anything to do—that is the legal ones now, the ones that are licensed; I am talking about my riding and the

northern cod stock— with the destruction of our cod stocks really believes that these foreigners in 100 large vessels are out there suntanning in the month of February.

The Acting Speaker (Mr. DeBlois): It being 1.27 a.m., pursuant to Standing Order 52(12), I declare the motion carried.

[*Translation*]

The House therefore stands adjourned until 10 a.m. today, pursuant to Standing Order 24(1).

The House adjourned at 1.27 a.m.

HOUSE OF COMMONS

Thursday, February 20, 1992

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 12 petitions.

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

* * *

CONSUMER AND CORPORATE AFFAIRS AND GOVERNMENT OPERATIONS

THIRD REPORT OF STANDING COMMITTEE

Mr. Scott Thorkelson (Edmonton—Strathcona): Madam Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Consumer and Corporate Affairs and Government Operations.

The committee respectfully requests that an extension be granted until April 30, 1992 for its consideration of its orders of reference dated September 18, 1991 and November 20, 1991 with regard to the work place hazardous material information system.

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

Madam Deputy Speaker: Now that the report has been read, I understand that the hon. member will move for it to be concurred in under Motions.

JUSTICE AND THE SOLICITOR GENERAL

SIXTH REPORT OF STANDING COMMITTEE

Mr. Bob Horner (Mississauga West): Madam Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Committee on Justice and the Solicitor General.

In accordance with its order of reference of Friday, November 8, 1991, your committee has considered Bill C-31, an act to amend the Extradition Act, and has agreed to report it with amendments.

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

* * *

• (1010)

OIL AND GAS PRODUCTION AND CONSERVATION ACT

MEASURE TO AMEND

Hon. Jake Epp (Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-58, an act to amend the Oil and Gas Production and Conservation Act and other acts in consequence thereof.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Epp moves that the bill be now read the first time and printed. Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*Translation*]

NATIONAL PARKS ACT

MEASURE TO AMEND

Hon. Jake Epp (for the Minister of the Environment) moved for leave to introduce Bill C-59, an act to amend the National Parks Act.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Epp moves, for the Minister of the Environment, that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*English*]

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

MEASURE TO AMEND

Hon. Otto Jelinek (for the Minister of Finance) moved for leave to introduce Bill C-60, an act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contribution Act.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Jelinek, the Minister of Finance, moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Derek Lee (Scarborough—Rouge River) moved for leave to introduce Bill C-336, an act to amend the Criminal Code and the Young Offenders Act (absence of criminal liability of child under 10 years of age and definition of child and young person).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Lee: The purpose of this private member's bill is to include the 10 and 11 year old age group as young persons governed by the Young Offenders Act.

At present that act does not apply to anyone less than 12 years of age. Second, it is to lower the age of culpability in the Criminal Code from 12 years to 10 years.

The reason for these proposed changes is that the 10 and 11 year old group are increasingly turning up as perpetrators of assaults causing bodily harm, sexual assaults, threats, extortion and drug couriers, especially in large urban areas.

Under the current law police are unable to charge or arrest young offenders in this 10 and 11 year old age group. This law would rectify this problem for the 10 and 11 year old age group.

Madam Deputy Speaker: Mr. Lee moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

COMMITTEES OF THE HOUSE

AUTHORIZATION TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I believe you will find unanimous consent for the following motion:

> That four members and two staff on the Subcommittee on the Status of Women of the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women, be authorized to travel to Washington from Monday, March 9 to Wednesday March 11, 1992 in relation to their study of breast cancer.

Motion agreed to.

Mr. Cooper: Madam Speaker, I believe you will find unanimous consent for the following motion as well.

> That eight members and necessary staff of the Standing Committee on Justice and the Solicitor General, in relation to the consideration of Bill C-36, Corrections and Conditional Release Act, be authorized to travel to Vancouver, B.C. and to Edmonton, Alberta, from March 8 to March 13, 1992 in order to hold public hearings and visit correctional facilities.

Motion agreed to.

Mr. Cooper: *Une autre fois,* Madam Speaker:

> That eight members and necessary staff of the Standing Committee on Consumer and Corporate Affairs be authorized to travel to Montreal on Thursday, February 27, 1992 in relation to their study on interest rates charged on credit cards.

Motion agreed to

CONSUMER AND CORPORATE AFFAIRS AND GOVERNMENT OPERATIONS

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Scott Thorkelson (Edmonton—Strathcona): Madam Speaker, if the House gives its consent, I wish to move that the third report of the Standing Committee on Consumer and Corporate Affairs, presented to the House earlier today, be concurred in. This report asks for an extension of the work place management hazardous materials study for two months.

Motion agreed to.

* * *

PETITIONS

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is a pleasure to present a petition on behalf of a number of the residents of Kamloops who are aware that the Government of Canada is soon to sign an agreement with the province of British Columbia in terms of RCMP funding. They are simply asking that the government ensure that the RCMP receives adequate funding in order that it can fulfil its mandate.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): On another matter, Madam Speaker, again pursuant to Standing Order 36, the petitioners, mainly from the North Thompson Valley are asking that the Government of Canada state clearly that Canadian rivers will not be for sale to the United States.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SPECIAL ECONOMIC MEASURES ACT

MEASURE TO ENACT

Hon. Barbara McDougall (Secretary of State for External Affairs) moved that Bill C–53, an act to provide for the imposition of special economic measures, be read the second time and referred to Legislative Committee E.

She said: Madam Speaker, I am very pleased to lead off the debate today on Bill C–53, an act to provide for the imposition of special economic measures.

Now that the cold war is over, we are living in a period of unprecedented opportunity to enhance international peace and security. Countries are rethinking the way they have conducted international relations for the past 45 years. The international community is looking for new and effective ways to maintain international peace and security with minimal recourse to military force.

The responses of the United Nations and the Organization of American States to the gulf and Haitian crises have highlighted the new opportunities for collective measures to suppress acts of aggression and respond to internationally unacceptable behaviour.

It is in this context that the government has introduced Bill C–53, an act to provide for the imposition of special economic measures.

• (1020)

[*Translation*]

The purpose of Bill C–53 is to enable Canada to impose a broad range of economic sanctions against a state or part of a state whose actions pose a serious threat to international peace or security or fail to conform to commonly accepted standards of behaviour.

The act will improve Canada's ability to join other states promptly and effectively in the application of economic sanctions.

[*English*]

The application of economic sanctions will remain an exceptional measure, but it is an essential foreign policy instrument. There are occasions when other peaceful means such as diplomatic representations, public condemnations, various *demarches* will not bring a delinquent state or a rogue regime to modify its behaviour.

In these circumstances the ability to join promptly in the application of multilateral economic sanctions is both valuable and necessary. The use of economic sanctions, of course, is not new to Canadian foreign policy. On a number of occasions over the past 25 years, Canada has joined like-minded states in resorting to economic sanctions for one reason or another.

[*Translation*]

For example, comprehensive sanctions were applied against Rhodesia in 1968 and against Iraq in 1990. The United Nations imposed an arms embargo against South Africa in 1977 and more extensive economic measures were applied in 1985 and 1986.

Limited sanctions were applied against Iran and the Soviet Union in 1980, Poland and Argentina in 1982, Libya in 1986 and Haiti in 1991.

[*English*]

These instances have revealed that our domestic authority to impose sanctions is not appropriate to the current situation. We have seen, for example, that disagreement among the permanent members of the UN Security Council regularly made it impossible to use the United Nations Act to apply sanctions. The Export and Import Permits Act only permits restrictions on trade and goods. Moreover, the requirement for an intergovernmental arrangement or commitment in order to control imports for foreign policy reasons has occasionally made use of that act cumbersome and difficult.

The passage of the special legislation such as the Iran Economic Sanctions Act takes time. Opportunities to effectively influence the outcome of a crisis can thus be lost. Other legislation such as the Emergencies Act was never intended for the application of international economic sanctions and is in fact of very little use.

Measures that are within the discretion of the government can be useful in some circumstances, but they would likely be neither a sufficient nor an appropriate response to the unacceptable behaviour of another state.

In the past we have been able to make do with a limited ability to impose international economic sanctions, but that is no longer the case. The world has changed. Not only has the end of the cold war created these new opportunities for concerted international action that Canada and other countries must seize, the character of international economic relations and the structure of economic transactions have also changed. In the past, relatively effective sanctions could be applied by merely controlling trade in goods.

Today, however, trade in services accounts for an ever larger part of international transactions. In addition, in an age of electronic banking huge sums of money and other assets can be moved from one country to another almost instantaneously. Bill C-53 addresses these new developments and in its provision for controlling trade and technology, for example, a very important element in today's international exchanges, it tries to anticipate others yet to come.

When I speak of these changes I am referring to situations that are very real. After the *coup d'etat* in Haiti, the *ad hoc* meeting of ministers of foreign affairs of the Organization of American States urged OAS member states to embargo trade with Haiti and to freeze Haitian state assets. Canada, however, found itself with only limited authority to block financial transactions involving Haiti and to freeze Haitian state assets in Canada. Had the special economic measures act been in force when the *coup* took place, Canada would have been better placed to respond quickly and effectively to the OAS request. Indeed, Canada had led the OAS in calling for strong economic measures against Haiti and it therefore is of course doubly important that we are in a position to follow through.

With the legislation in place, we will be able to respond better. Embargoes are not always easy to apply. That said, we are concerned that some OAS members, including the United States, apparently appear to be backing away from giving full effect to the OAS resolutions. That reluctance can undermine the effectiveness of sanctions, and it makes it difficult for countries like Canada to sustain the sanctions when others are not sharing the burden. We want to implement measures that will contribute to the return of constitutional government in Haiti. We urge our fellow members to do likewise, as well as other countries. This action was a breakthrough for the Organization of American States

and in our view it is very important that we act as member states in concert.

I have spoken about why Canada needs the special economic measures act. Now I want to talk about the bill itself. This is enabling legislation. It will allow but not require the government to apply international economic sanctions. Bill C-53 signals no intention to apply sanctions either more or less frequently than we have in the past. Canadian decisions to use sanctions will be guided by established policies and the need for sanctions will be dictated by developments in international relations. I can, however, assure you that Canada will continue to work hard with the objective of ensuring that sanctions will be called for only on rare occasions. When the government does decide to apply sanctions, the act will give it the flexibility to choose those measures which are best suited for the situation at hand.

[*Translation*]

The essence of the bill is found in section 4, which describes the conditions for the application of sanctions and the types of measures that may be applied. Sanctions may be applied if the Governor in Council determines that a grave breach of international peace and security has occurred and has resulted or is likely to result in a serious international crisis. Sanctions may also be applied in response to a decision, resolution or recommendation of an international organization or association of states of which Canada is a member, calling for the application of sanctions.

Under the act the government will be able to seize or sequeseter the property held in Canada by the state that is subject to sanctions or by persons associated with it.

[*English*]

The government will also be able to make orders or regulations restricting or prohibiting a variety of activities such as trade in goods and services, the execution of financial and commercial transactions, the transfer of technology and the operation of air and maritime links.

Bill C-53 is fully consistent with long established Canadian foreign policy that has always treated the application of international economic sanctions as a very serious and exceptional measure. In applying economic sanctions Canadian governments have been guided by three principles. Canada has sought a broad international agreement on the necessity and usefulness of sanctions. Canada has insisted that the burden of sanctions be shared among the countries imposing them and Canada has made every effort to avoid placing Canadian business and workers at a disadvantage in relation to its foreign competitors.

Nothing in this bill requires departure from these longstanding principles of Canadian foreign policy and they will indeed continue to guide us. Every situation in which sanctions will be imposed, of course, will be different.

• (1030)

To be effective, international economic sanctions should be used in pursuit of very precisely and clearly defined objectives. Sanctions measures must be carefully conceived because those that would be effective in one set of circumstances may be totally inappropriate, perhaps even costly in another.

Decisions to impose economic sanctions will involve a complex balancing of many considerations. The kinds of measures to be taken, their likely effectiveness and the potential cost to Canadians will need to be addressed every time a proposal is made to impose sanctions.

Consequently Bill C-53 does not dictate the policy considerations that would determine whether or not to apply sanctions in any particular situation, nor does it dictate the types of measures to be used when the government decides to apply sanctions.

The flexibility that must be granted to the government in Bill C-53 warrants parliamentary scrutiny. In applying sanctions as the Iraqi invasion of Kuwait demonstrated, the government must be able to act quickly.

However, once the government has acted every order and regulation made in application for sanctions must be laid before each House of Parliament within five sitting days of its making. If 50 members or 20 senators move that any order or regulation be revoked, the motion must be debated and brought to a vote.

When Canada applies economic sanctions, every effort must be made to minimize the costs to Canada's business community and to Canada's workers.

[*Translation*]

For instance, where possible, restrictions should be applied prospectively, thereby permitting the execution of existing contracts. Where costs to Canadians are unavoidable, government programs might be adapted to assist those in Canada who bear the burden. This was done in 1980 when the existing grain price support programs were used to relieve farmers from depressed cereal prices that resulted from Canadian participation in the grain embargo against the Soviet Union. When Canada has applied economic sanctions, direct compensation has seldom been requested. Nonetheless, we do not exclude the possibility that in some future circumstances the government might want to consider the need for a program of compensation for Canadians and persons in Canada adversely affected by the application of economic sanctions. Section 6 of the bill provides for that eventuality.

[*English*]

This bill is timely legislation that responds to changes in international circumstances. It reflects changes in the character of international business.

The special economic measures act will fit within longstanding Canadian policy that seeks multilateral solutions to international problems. It will be a valuable addition to the peaceful options available to the government to respond to threats to international peace and security.

I hope that all hon. members will see the value of this important legislation and allow for quick passage so that additional options can be considered for addressing effectively the Haitian situation in particular. It is of most immediate concern, but of course there will be others in the future.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, there is some irony in that just about a year ago this House was deeply engaged in a major debate about the Gulf War.

Members of the opposition were trying to put the best case forward to the government about the utility and effectiveness of economic sanctions. They were being treated with total indifference and sometimes arrogance saying that sanctions had no role to play.

It was said that sanctions were useless and were not being effective in that case. One year later, we are now dealing with a bill that centres on the importance and effectiveness of economic sanctions.

It certainly shows that, if nothing else is true, the government has been able to understand the weakness of its ways.

I would like to recall that at that time we said that there were choices and there were options.

We said that this Parliament should have far more responsibility for the setting of standards by which we determine our actions internationally with respect to the democratic interests of this country. Those were being spurned and those were being treated with total and complete impunity.

We are now seized of a bill that we hope will improve upon that. One can at least be thankful that a few lessons were learned as a consequence of that terrible tragedy.

Of course, not all lessons were learned because what we are still faced with is the enormous consequences of a war that spent close to 80 billion scarce dollars. It burned it up at a rate of something like $60 million an hour, and what are the results?

The results are mass starvation in Iraq, continuation of a despotic regime, environmental despoilment, the continuing arms trade in the Middle East, in fact an escalating arms trade in the Middle East. Also, close to three-quarters of a million refugees are scattered throughout the Middle East. A number of countries are impoverished.

Because of a lack of patience, because of a lack of interest or concern about the utility and effectiveness of the use of economic sanctions, we are paying a very deep, steep price even today for that imprudence and lack of caution and jingoism that so terribly seized the Government of Canada, as it did many other governments at that time.

I would say at the outset that we welcome this legislation. It may provide a more important and useful tool for the government. It may in the future be prepared to exercise that option without resorting so quickly and ferociously to the use of force as the first

resort, rather than the last resort, in trying to deal with the problem of international conflict and aggression.

It does not mean to say, however, that economic sanctions by themselves are sufficient or should not go unexamined. The minister mentioned in her opening address the application of sanctions to Haiti. Well, let us just stop for a moment and ask what is happening there.

Again, Canada along with other countries was quick to rush to the press conferences to announce a whole series of strictures against the dictatorship that took over in Haiti.

But now Haitian refugees are being sent back and are having to return a second time to political persecution. I have seen no statement from the Minister of External Affairs or from the Prime Minister of Canada about how we intend to help many of those refugees who are there as a direct consequence of the actions being taken.

There is no question that economic sanctions have their consequences, have their results.

It is a negligence in responsibility that we undertake in participating in a multilateral action properly designed to force an end to a dictatorship in a country like Haiti that we take no responsibility, no interest whatsoever in the victims of that action.

My colleague from Broadview—Greenwood will speak later about the efforts he has been making to try to get foodstuffs and humanitarian supplies into Iraq for the children there.

We now have a series of reports. Once again we find, as I discovered on my visit to the United Nations last week, that we are concentrating on enforcement and pressure.

At the same time we are ignoring and forgetting that there is always another side to the equation. That side of the equation includes the people who suffer, the people who pay the price, the individuals, the men and women and particularly the children who suffer the results of that.

The bill itself gives us an important opportunity to honestly examine what it is about—a sanctions policy.

• (1040)

I was disturbed to hear the minister when she said that she treats the legislation purely in mechanical terms, not in policy terms.

It is important for Canada to have policies in these areas. It is important for the Canadian people to understand what the policy of the Government of Canada will be when it becomes engaged in major international actions. It is crucial that we understand what objectives and goals and values motivate and seize this kind of action.

It is not simply a mechanical matter of turning over and responding. It is a question of making choices and judgments and engaging in a proper public debate as to what they require.

It is no wonder that Canadians are confused today about what is our position in the new world order, that we will apply sanctions to one country but not to another.

Look what happened in Yugoslavia where we watched for months upon months the escalation, suffering, damage, and terrible tragedy. Yet western countries were not prepared. Maybe we did not have the means.

It looked once again as if there was a double standard being applied, that we were beginning to say that we will apply enforcement action in one place and not in another depending on what the politics dictate.

It may be that there are realistic reasons for doing that, but they should be spelled out. There should be a much stronger effort to engage Canadians in this kind of debate and discussion.

If we are going to be called upon, as I believe we will be, for a much broader and more active role in maintaining collective peace and security, then it can only be done if there is support from the public. They must understand what is being done. They must be engaged in the debate.

It should not be a decision made behind closed doors in a cabinet room, remote and separated from what it is Canadians believe should take the place.

If we are going to be sending peacekeepers to one area and impose sanctions in another, that has to be part of a judgment made by the people. This is done through their parliamentary system where there is a serious and

considerate effort to share information, where there is a realistic opportunity to judge the impact of those actions.

I can recall what took place during the debates in this House during the gulf war when we constantly said to the predecessor to the present minister for external affairs: "Tell us why sanctions are not working, why it is necessary right now to engage in military action".

There was never any mechanism, no real effort to provide that information. There was no evidence. There was no analysis. There were no judgments to say: "Here is why we think economic sanctions as an instrument will not work and therefore we are going to be forced into more serious military engagement".

I ask whether there is anything in Bill C-53 that will correct that, that will require the government to be accountable to Parliament for how the sanctions are working, who is being affected and whether the sanctions are having the desired result.

I suggest that there is nothing in the bill that will ensure the continual observation, monitoring and accountability of this very important and serious international engagement the minister is proposing that Canadians undertake.

Let us be honest. There is no real parliamentary role in this. The measures built into this bill are farcical.

There is nothing to say what happens if Parliament is in a summer recess, as we were during the time of the gulf war, and is not called back for three months. Where is the opportunity in this bill to correct that serious omission of fundamental parliamentary responsibility?

There is nothing in the bill that would require Parliament to be immediately recalled so that a proper debate could be held and members of Parliament on behalf of their constituents could raise questions and determine what the severity of the situation would be. No, this would be a decision taken on high through executive decision and Parliament would be hoeing its garden or doing whatever.

Similarly in the bill there is no capacity for Parliament, again representing the people of Canada, to determine when sanctions are working or when they should be withdrawn or when they should be changed. Sanctions are not some kind of iceberg that sits there. They have to be constantly monitored. Businesses are being put at financial risk, there are enormous consequences in terms of the countries in which sanctions are being employed, and the only provision we have is that 50 MPs get up and say: "We do not want sanctions". Where is the flexibility in that? It is not a question of black or white, but it is a question of responsibility, accountability, information sharing, reporting and proper debate.

I can say to the House that we will be making every effort to improve this bill, to substantially improve the position of Parliament in its role of ensuring that such an important international commitment as the imposition of a sanctions program is subject to parliamentary assessment, judgment and accountability.

I hope the minister will be in agreement with those measures. We are primarily arguing about the fact that we cannot go around the world preaching democracy if we are not prepared to acknowledge it at home. How can we be lecturing other countries about the importance of building democratic institutions if we ignore our own institutions on such a crucial issue as war and peace or major international engagement?

One of the reasons we will be prepared to give quick passage to the bill is so that we can bring it to committee as quickly as possible and prepare a number of amendments that we believe will substantially improve the bill in terms of parliamentary role.

I might as well raise another set of concerns about Bill C-53, that is the triggering of its application. The minister has outlined that it would be triggered by requests from international organizations where there is a judgment about peace and security. I want to pose some questions of the minister. What happens to cases where there are severe violations of human rights?

We see cases now in East Timor and other places around the world where it may be important that the economic tool be used to live up to the principle that the minister and the Prime Minister have established of connecting human rights to economic aid. It is surprising that there is an omission in this bill, that there is not the same kind of flexibility being shown in applying some enforcement action for countries which are not prepared to listen to international standards and adhere to international standards of human rights.

Similarly it may be important to consider whether in this bill we should also consider a criterion of environmental pollution and degradation. We saw a case just a year or so ago when the U.S. Congress applied a form of economic sanctions on tuna fishing against Mexico. It had the desired result, by the way, of stopping a kind of raping of the tuna fleet.

In the last three or four days in this House we have had major debate about what is happening outside the 200-mile limit in our own Grand Banks area. It may be important that we at least keep in the arsenal—and I am not saying for it to be used in a capricious way—the possibility of using economic tools or weapons to respond to countries which take no responsibility for ravaging the ocean's environment, or other environments for that matter. It may be important to consider additional criteria under which this bill can be applied.

It is also important, just as a third area where I think improvement and additions are required, in the field of compensation. As I read the bill we talk about the right to make application for compensation. There is nothing in the bill that says the government has to respond in any tangible way. To make sanctions an effective instrument, as we have seen in past experiences there has to be a commitment by which affected individuals or businesses have a clear mechanism, by which they have some security that their own interests will not be again victimized, and by which they are not the only ones paying the penalty.

• (1050)

In saying all that, it is important to put this bill in perspective. It is really only one of the top most rungs of the international ladder that we have to climb if we are to try to recreate a new international regime or environment.

An important paper delivered at the UN symposium that our party sponsored in Vancouver in October was by Professor Edwin Smith, an international lawyer. It dealt specifically with the question of economic sanctions. He pointed out something which I think would be of interest to members, that under article VII there is only one reference to how economic sanctions should be applied. He pointed out in his paper, if I can quote: "After 45 years we have not had one single military operation that followed the procedures laid out by the charter, but we have had many instances of the application of economic sanctions". He also said: "It would be unfortunate if these economic measures were left to *ad hoc* procedures that did not benefit from the preservation of institutional memory". He went on to talk about the necessity for the United Nations, if it is to become the major source of decision making in these areas, to enunciate clearly how, where and by what means these decisions will be made.

The interview the Leader of the Opposition and I had with the Secretary-General last week was interesting. It was pointed out that they are now busily preparing a paper to be tabled with the Security Council on July 1 on a whole new set of means of collective security instruments that will be required by the UN.

I find surprising that here we are in the middle of February and there does not seem at this point to be any initiative on the part of the Canadian government to make proposals as to what that paper should include. This may be one of the most important set of recommendations emerging in building the architecture for a new international peace and security system through the UN, and Canada, which is one of the countries that has been called upon in many instances to supply peacekeeping forces or other responses, does not seem to be part of the action. We are not engaging either in this Parliament or anywhere else in serious debate about what we would like the new architecture to be at the United Nations.

What should be the role of the Secretary-General? Should there be a very specific sanctions group, peacekeeping group in the apparatus of the United Nations, so that a wider range of countries than simply those on the Security Council has an opportunity to be involved in the decision making, the implementation and the accountability?

Surely, as a specific interest of Canadians, we are about to send close to 1,000 peacekeepers to Yugoslavia and we are still not clear in this day and age as to the responsibilities and accountabilities of those who decide on these issues.

I believe there will be a meeting of the peacekeeping committee beginning in the first week of April which Canada will chair. It would seem to me that is an important opportunity for us to put forward a series of proposals on peacemaking, on how the Secretary-General may have offices in different parts of the world to

provide preventative diplomacy, on how there could be a new information sharing system at the UN, and on how we could be establishing a standby peacekeeping force that could implement sanctions or other areas. There is a wide range of initiatives that I believe Canadians are interested in.

When we held the symposium the response was incredible. People wanted to come. They wanted to discuss and debate this matter, but we have not yet given them an opportunity in the House to provide that kind of involvement. If there should be any lesson that is clear from the gulf war and since then, it is that sanctions and the military should be the last resorts and not the first resort.

It may be that it would have been a more useful initiative by the minister to present a resolution in this House prior to this bill on a peacemaking policy for Canada, the kind of things that we would like the Canadian government to be proposing at the UN and at the OAS in terms of new instruments, procedures and processes for looking at the diplomatic efforts and multilateral action for determining how we can prevent conflict, offset aggression and provide deterrence to the kind of things that happened in the gulf war as opposed to simply responding to them after they happen.

I would use this opportunity, if I might, to urge the minister to do that. I think Canadians are interested. They want to become involved in that kind of debate. I think it is a long-standing tradition of our foreign policy that Canadians become committed and feel a responsibility to multilateral action.

Surely, if the gulf war has taught us anything, it is that the mechanics and the institutions lack a great deal. They need to be modernized, improved and renovated to bring them up to the kind of conditions we now face. We are lagging behind in our capacity to make peace in this world internationally, multilaterally and domestically.

I cannot think of a more profound, serious debate that could take place in this House of Commons. Perhaps the government is prepared to come forward and present its ideas and its proposals and to have serious debate about where we should go in this area before the Secretary-General tables his report on July 1, before decisions are made, and before the security council is seized of this issue.

I would say in summation that the bill itself is a useful measure. It is a beginning but it certainly misses one of the critical criteria in this new age the minister talked about, in this new environment where peace and security may be in our grasp. It will only happen if Canadians understand what their responsibilities and obligations are. They have to feel that they are part of making these decisions. I would strongly urge all members of the House to support the amendments and measures we will be promoting to ensure that on a crucial issue such as economic sanctions Canadians have a role to play, that they have a voice that will be heard, and that they will be part of a decision that is committing themselves and their country to important initiatives overseas.

We would ask this House to support a bill that is substantially amended in the interests of a democratic foreign policy.

[*Translation*]

Mr. John Brewin (Victoria): Mr. Speaker, we support this bill. In the circumstances it is very important for the government to have the authority to impose economic sanctions as an alternative to war.

[*English*]

We support this bill. We believe it to be a very important bill and one which should have the support of all members of this House as it goes through the parliamentary process.

The bill provides the government with the necessary ability to move very quickly in imposing economic sanctions during an appropriate international crisis. As was argued during the time of the gulf war, we see sanctions as an important alternative to the use of military force in solving international problems.

The government has introduced this bill because as it found during the gulf war it did not have an effective set of legislative authority to impose sanctions as required under UN resolutions or by other appropriate government policy.

All sides in this House during the gulf war supported the use of economic sanctions. We can do nothing else but support the government in reorganizing and making more effective the mechanisms for dealing with economic sanctions when they are required. The legislation would allow the government to freeze the assets of foreign states which offend international law, would

prohibit or restrict the import and export of goods and services to an offending state and other financial and commercial transactions as well as air and sea links. It also can restrict the activities of Canadians outside Canada when an organization or association of states calls for such measures. This is an important set of powers for the government in exercising international policy in this country.

• (1100)

The spokesperson for the Liberal Party has outlined some of his concerns with this bill. Frankly, at this stage we do not share some of those concerns. We certainly agree that Parliament needs to be consulted on every opportunity, but we note with interest that the bill does provide for consultation with Parliament by the provision under clause 7 for tabling of orders and regulations made under the bill within five sitting days of the House after they have been made and the filing of a motion on it and an opportunity for Parliament to debate it. It may well be that these provisions should be improved. That is what the committee process will be for and we will be addressing that.

We, of course, also agree with the general proposition that Parliament should be consulted in the process of decision-making wherever possible. In the case of economic sanctions, we do concede to the government the necessary authority to move as quickly as possible. We would not want any consultative process with Parliament to inhibit a government's opportunity to move as fast as possible when the circumstances require it. We will work that one out in committee and hopefully we can improve the bill there.

We have two or three other concerns which are relatively minor when compared with the over-all importance of this bill and we will discuss them when we get to committee. Perhaps I could simply flag them at this stage. The first has to do with a concern that the authority to the government to seize property of a national of a foreign state who does not ordinarily reside in Canada may impinge upon the rights of refugees and others who are legitimately here. We want to make sure that there is a very clear commitment from the government in the legislation, as part of the legislation, to ensure that appropriate rights of those who are resident in Canada are not infringed by the exercise of the government's authority here.

As well, there may be a concern and a need to have some mechanism for compensation to Canadian individuals or businesses adversely affected by economic sanctions imposed. Obviously in many cases that ought not to be required, but there may be appropriate cases where it is. We want the legislative committee to look at that.

Finally, we want to make sure that non-governmental organizations have some mechanism to continue to operate, again in appropriate circumstances, in a country which is the subject of sanctions under this legislation. There may be many in particular situations under which that is required and we want to make sure that is permitted and not inhibited by the legislation.

Having said that, let me now just turn to a brief discussion of the general bill itself and the reasons for our taking the position that we do in this particular case. International organizations and nations have a range of possible responses to breaches of international law under the United Nations charter. Governments and states can condemn, can call in ambassadors, can impose a series of steps short of actually putting serious hurtful pressure on a particular country. When those options do not work, it becomes necessary from time to time for the international community to act much more effectively. The two particular options which are often available are military sanctions—military action, military force—on the one hand or economic sanctions on the other.

As we have seen throughout history, frequently there are occasions when economic sanctions are far more effective and far more important than military sanctions and military action. There is a tendency, however, when governments have come equipped with large military forces for there often to be too quick a response by the use of military force than the more patient response that is needed in the use of economic sanctions.

When we look back on history we see that economic sanctions have frequently been very effective. This debate gives us an opportunity to reflect on that at a time that we are not dealing with a major and immediate crisis, although we have a number of important interna-

tional issues on the table at this stage. I will get to those in a minute.

In a study which was published during the time of the gulf war and reported in a number of newspapers, including the *New York Times*, the Toronto *Globe and Mail* and *Toronto Star*, by Garry C. Hufbauer and Kimberly A. Elliott, two American specialists in the field, it was noted that in 1935–36 sanctions were applied by the League of Nations against Mussolini for his invasion of Ethiopia. The international community was then trying to force Italy to withdraw from Ethiopia.

In subsequent years that particular case has often been held up as a failure of sanctions. Yet a closer examination shows that sanctions were within a week of forcing Mussolini to back out of Ethiopia and he so confessed to Hitler at some subsequent point. We have an early example in the thirties of sanctions coming very close to working. If the international community had stuck to its position, we might have had a significant change in history during that period.

We have had the example in the early eighties of sanctions against Poland effectively changing the political decisions of that government so as to ease repression, to make economic changes which eventually triggered the changes that we see in Poland and in eastern Europe today.

Governments and states have used economic sanctions against dictators over the years: Trujillo in the Dominican Republic, Diem in Vietnam, Idi Amin in Uganda and Somoza in Nicaragua. In every case, sanctions often coupled with the threat of military action have produced the desired result. India in 1989 blockaded Nepal and forced changes there which have given at least some measure of democratic rights to the people of Nepal.

Of course we have the historic example of sanctions working against South Africa. Many countries avoided the sanctions against South Africa in a totally hypocritical and frankly illegal way. Still, with all of that, the sanctions imposed primarily through the Commonwealth and by other countries over a period of time eventually forced the government of South Africa to change its policies and to begin to bring that country back into the international community and to begin the process of change in South Africa.

We even saw the use of something as simple as a sport boycott having an enormous effect on the psychology and people of South Africa and eventually helping to create the conditions in that country so that relatively peaceful change could take place. In fact, South Africa may be an example where an invasion, the use of military force, would simply not work given the size of the minority white community. What was necessary was the long build-up of economic and psychological pressure on at least a significant portion of that minority to begin recognizing that change was absolutely vital. So we have seen that work there.

• (1110)

We see less effectiveness in Haiti. In fact, if the Government of the United States particularly would seize the assets of rich Haitians in the United States, we might begin to see the kind of change that is necessary in Haiti. Clearly, comprehensive, effective economic sanctions in Haiti are absolutely essential and should be fully supported and pressure kept up by the Canadian government.

This coming week or next week, the Secretary of State for External Affairs will be meeting the foreign minister of Indonesia, a country which has grossly violated the human rights of the people of East Timor. It will be very interesting to see how the government conveys the message there. Again, selective sanctions against Indonesia would be, in my view, absolutely essential at building the pressure on Indonesia to end its repression of the people of East Timor. The government has imposed a very, very limited boycott on certain sales and certain relations with Indonesia. It is interesting that it has not intervened against the sale of military products to Indonesia and has not done an effective job in calling for international sanctions against that country so that the people of East Timor may be restored their rights.

Let me conclude with a few comments on Iraq because it seems that the experience that the world community had last year on the issue of sanctions in Iraq is very important for studying how this bill not only is important, but the policies which should prevail when the government is considering the use of the powers provided for in this bill.

There is no doubt now that if sanctions had been allowed to work then, the Government of Iraq would have eventually had to withdraw from Kuwait. All of the information that was then available suggested that conclusion, and there is no reason to believe at this stage that anything other would have happened. It would have happened with far less human costs than the force that was occasioned upon the people of Iraq and the people of Kuwait.

It is very instructive that the underlying motive of the U.S. government for its pressing forward with the use of military force was the idea that really Saddam Hussein had to be driven out of office. We see now, over a year later, that Saddam Hussein is still the President of Iraq and it is the people of Iraq who have suffered as a result both of the actions of the Iraqi government and the precipitous use of military force instead of sanctions by the international community, including Canada and the United States.

Sanctions have continued against Iraq because it is said that Iraq has not fully complied with the United Nations resolutions, in particular the resolution requiring Iraq to pay certain war reparations and other bills.

The time has come for this and other governments to review their policy in respect of sanctions against Iraq because the people of Iraq are suffering grievously from the continued imposition of sanctions. I submit this government cannot agree to the continuation of sanctions for the simple purpose of trying to assure the re-election of George Bush as President of the United States. I may say President of the United Nations and some day it may not be such a slip as all that.

Last year the United States decided it wanted to have the UN flag to wrap around its tactics in Iraq. It was able to do so because of its strength internationally.

It is very clear that the government of the United States is still determined to drive Saddam Hussein out of office. It is prepared to use virtually any tactic it has at its disposal to do so. It has publicly boasted of the fact that it is sending the CIA in to try to organize other states in the area to achieve that policy objective.

No matter how objectionable the president of Iraq may be, it is still a breach of international law for one country to seek the removal from office of a leader of another country, particularly by assassination or other methods.

The continued imposition of economic sanctions at this stage against Iraq for that purpose is doubly objectionable. The overwhelming evidence coming out of Iraq is that it is the children of Iraq who are now suffering as a result of the imposition of sanctions.

It was interesting last year at the summit on children that the Prime Minister of our country said, and I quote: "The essential needs of children and families must be protected, even in times of war". Those words were included in the declaration jointly signed by the 71 world leaders including the Prime Minister of Canada.

If that is so, how does the international community and this government justify the continued punishment of the children and people of Iraq?

Over 110,000 children in Iraq are estimated to be malnourished, either moderately or severely and are at an increased risk of dying. Most of Iraq's children and a large portion of the people in Iraq are directly exposed to disease, starvation and a series of traumatic problems as a result of the difficulties imposed on that country.

The time has come for the world community now to review its use of sanctions in this particular case and to move on to the next chapter of history. I call on the government in these circumstances to move quickly in that direction and to give us those assurances.

I will conclude with this. Members of the defence committee of this House of Commons were in Europe in the last two weeks.

In the course of our visits there, we had an opportunity to go to Maldegem in Belgium where there is a cemetery containing the graves of over 1,000 young Canadian soldiers killed in that area during World War II.

It was a very moving experience for me to walk among the graves and see the names and ages of these young soldiers who lost their lives there very prematurely and very tragically and to see the references to spouses and children on the graves.

It was very easy for me as a Canadian to visualize what pain and agony they must have gone through and the pain and agony it cost their families.

As I reflected on this bill before us, I thought again of those in Iraq and Kuwait who lost their lives because of the premature use of military force there and the failure of the international community and of this government to give economic sanctions a chance to do the job.

I am heartened that the government has brought forward this bill. It will give the government and this country an opportunity in future conflicts to use economic sanctions as an alternative to war. It is something which we must all pledge ourselves to do.

This bill has our support and we urge the House to pass it.

• (1120)

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am delighted to have an opportunity to speak on this bill.

I am actually delighted that the government has put it on the floor of the House of Commons at this time. For the last three months I have been going through a personal experience that relates directly to this bill. I want to begin by giving a little bit of background on my interest in this bill specifically.

Last November I received a call from Michael Homsi, who is a constituent of mine in Broadview—Greenwood. He said: "Dennis, I have family who live in Amman, Jordan who have friends and family who are living in Baghdad. They are suffering deep pain right now and they wondered if there was some way that Canada could organize United Nations approval to ship food from Canada to Iraq". They did not want this food donated; they wanted to pay for this food. It was a commercial transaction.

Now I had never had any experience with anything like this, and quite frankly I did not know where to begin. Fortunately, this particular day one of my colleagues, the member from Burin—St. George's, was at the United Nations in New York.

He happened to call me on another matter and I explained this situation to him. Within hours he had the secretary to the sanctions committee of the United Nations call me. He explained to me the process whereby a nation gets a certificate of approval.

I called the Department of External Affairs, spoke to a certain gentleman there by the name of Marcel Belec. I must say I was impressed by his quick response and the support which he gave me in responding to this request for my constituent.

To make a long story short, within three days we received a certificate of approval. This certificate was from the United Nations and Canada. It is dated November 12, signed by Donald W. Campbell, deputy minister for international trade and the associate undersecretary of state for external affairs. He signed this certificate allowing us to send food from Canada to Iraq. I must tell you this is not a truckload of food; this is 40,000 tonnes of food. It is a lot of food.

It was conditional upon two things. The first condition was that the order would be monitored by the United Nations from the shipping routes, the distribution, the delivery system. It must be monitored by the United Nations.

The second condition was that the payment must be made by an irrevocable letter of credit to a Canadian chartered bank. That seemed pretty straightforward to me.

We faxed all of this information to the Embassy of Iraq in Amman, Jordan and then the process of delay began.

What happened as that process was going on was that I received requests from the Canadian Arab Federation and other people who had visited Iraq describing what was going on in that country. People were suffering.

I received letters, one from James Kafieh, president of the Canadian Arab Federation. I will just quote one passage: "It is crucial that you commit all your efforts to completing this approved transaction. Our federation also urges you to travel to the Middle East to investigate the most expeditious and efficient routes by which humanitarian relief may be brought to the innocent suffering in Iraq."

I have received letters from other people who are directly related on humanitarian missions. I received one just the other day from Harry Veldstra. He just got back from a mission with the Canadian Council of Churches. I will just give you two descriptions.

One is about a 10-year old boy with leukaemia: "The attending doctor told us that his leukaemia was easily treatable. He had only two or three days to live because the necessary medicines were not available. The best

that the doctor could do for him was to make him as comfortable as possible".

A seven-month old baby girl weighed only 2.2 kilograms. She should weigh in at about 7.5 kilograms for her age. She had marasma or acute malnutrition. Her parents were farmers just outside Baghdad. They had no income at all because seeds and fertilizers were way beyond their ability to purchase.

I have always believed that Canada was a nation that measured its strength by the mouths we fed and the environment we protected. We are not a nation that measures our strength by our armaments or by our linkage to international bankers.

It seemed to me as I was going through this process that this was not the guiding principle. I travelled to Jordan about three weeks ago because, as I mentioned earlier, the process for implementing this order was not happening. The money was not being transferred.

We have virtually no frozen assets in this country. We have close to $2 million of frozen assets. That small amount of money basically keeps the Iraqi mission functioning in this country so that we have some form of communication.

When I travelled to Jordan to meet with the Homsi family, Muntasir Homsi, and other people who were there working trying to help the Iraqis to the best of their ability, I had the opportunity to meet with the chief commercial counsellor for the republic of Iraq based in Amman.

Quite frankly, I said to him: "What is the problem? We have the food. We have a letter of certificate here from the United Nations. We cannot seem to get your process of payment organized". He said to me: "Well, Mr. Mills, all of our assets are frozen all over the world. There have been some countries that have released their frozen assets in exchange for humanitarian assistance, food and medical supplies".

In North America the largest frozen assets we have are based in the United States. Those assets are in the billions of dollars. He asked me if Canada could see if the frozen assets that are in the United States could be released against this food order. I said I was not too sure that the United States government would release assets based in their country for this. I said I would return with that. But I said: "What if that fails?" He said: "We would be happy to barter oil for food". That seemed to me to be a reasonable approach. We barter many other items in several countries and we have over the years, in exchange for other services. Oil is no different from cash in many countries.

• (1130)

I returned with a letter from the Khaled Elmakhzoumi. He basically said: "We will order, not only that first 40,000 tonnes of food from Canada. We will give you an additional order for another 70,000 metric tons of food.

We ask you (a) to approach the Americans, the financial institutions of the states and; (b) if that is turned down, is there some way we can work on exchanging oil for food?".

In one sentence in this letter which is near the end, he said: "Although Canada was a member of the Allied forces, this assistance will help re-establish the warm feelings we have always held toward Canada".

Throughout the Middle East I heard repeatedly warm feelings expressed toward Canada. They see us as a country that is distinct from the United States of America. They want us to have our own foreign policy. Quite frankly, I would like us to have our own foreign policy as well. Right now I am a bit concerned that our foreign policy is basically: "Let us check with President Bush".

The member of the New Democratic Party talked about it being a Freudian slip in his speech earlier today when he said "President Bush, the president of the United Nations". We have to be very careful because there are a lot of people who think the United Nations is weighted just a little too heavily in terms of its direction from the United States.

Therefore, when my colleague, the member for Winnipeg South Centre, said in his speech earlier today that as we take this bill to committee and review all of the processes and when we talk about a new world order, we had better just look at all the various aspects of the United Nations and all the various options so that the United Nations can be reviewed and returned to the basic principle it has always had.

As a nation, we should never, ever waver in any way, shape or form from our support for the United Nations or we would never want to waver from a foreign policy

that does not work under the umbrella within the realm of the United Nations.

I am not suggesting in any way that we stray from that umbrella, from that guideline, but it is not wrong for us as a nation to review the processes and the activities going on there now.

Getting back to this very fundamental situation here, we have an order from the government of Iraq for 140,000 metric tons of food, a commercial transaction. They are willing to have the order monitored from start to finish, including distribution. They do not have the cash, they only have oil and they want to deal directly. They do not want to accept the United Nation's offer of putting the oil through the United Nations. The sale of that oil would create funds that would be put into an escrow account at the United Nations and the United Nations would buy the food. They do not want to do that because they say that on that sale only two-thirds of the revenues would buy humanitarian supplies and one-third would go for compensation for the invasion of Kuwait. We are mixing the reparations formula with humanitarian aid.

I personally, at this moment, have to question this because if we had the cash here in Canada to pay for this food, we would probably release it because humanitarian assistance, food and medical supplies are exempt. The only form of currency, the only instrument that they have to organize a transaction is oil, they want to mix it with the reparations formula. The people who are paying the price while this debate is going on, while this stalemate is going on, are the people of Iraq, the children of Iraq.

We have a conundrum on our hands here. I do not think that we should mix the reparations formula with humanitarian assistance. I am not saying we should not have a reparations formula and I am not saying we should exempt Saddam Hussein and his operatives in any way, shape or form. That is not what I am saying. He must develop and they must have a reparations formula, but we should not make the people of Iraq the hostage of this.

We should go back to our basic character as a nation, a nation that measures its strength by the mouths we feed and the environment we protect. We are a nation that has always been in the business of saving lives. Right now we are letting the process stalemate us. In the stalemate those children are suffering. When we have a certificate of approval signed by this government, signed by the United Nations, we should figure out a way to get around that red tape and that reparations formula.

I have never ever faced such a difficult constituency case in my life because I do not want anyone to think that I am condoning the actions of Saddam Hussein. In no way, shape or form do I want people to think that I am not wise to the fact that the Iraqis are being political here, asking Canada to ask the U.S. to release funds. The bottom line is the humanitarian side of this and I do not know the answer to this question.

• (1140)

It is why I support my colleague, the member for Winnipeg South Centre, our critic for external affairs, who constantly reminds this House: "Let's go back to our basic character as a nation. Let's review Bill C-53 and analyse it in the filter so that it meets the values which all of our Canadian people want to have and want to project to the rest of the world". Hopefully, we can return to the image and prestige which Lester B. Pearson set for us so many years ago and that Pierre Trudeau carried on with and which are currently suspect.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I would like to salute the member who just spoke for his speech as the critic for the Liberal Party on external affairs.

I have a question for the member from Broadview. Two people have come to me about the Iraq war. One person is from Iraq. His mother is still there. He basically said: "David, Saddam Hussein is still in power. My mother has not been seen or heard of since the war started". As far as he is concerned she has been lost, she is in a wheel chair. Nothing has been accomplished by this war except for the spending of billions and billions of needed dollars, as our critic mentioned a moment ago.

A second person took two months' leave of absence from his work. He went to Iraq to help the Kurds. He came back later to Canada and, if I understand him correctly, found that external affairs in the Pearson Building had very little interest in learning what he had learned with the Kurds.

I wonder if you have any comments on either of those.

Mr. Mills: Mr. Speaker, I thank my colleague for the question.

Quite frankly, my experience with external affairs has been mysterious. Any time I ask for help they seem to always respond. They seem to write the letters. I met with the deputy the first day I got back, Deputy Minister Campbell, and he seemed to be of the spirit that he wanted to help and get involved in this issue, but quite frankly my own judgment is that he needs direction from the political will. Remember, our public servants only follow the direction of what goes on in this House.

I do not want to suggest that the officials in external affairs do not want to help. I believe that the foreign service of this country is one of the best foreign services in the world but right now I believe that our officials in external affairs are partially frustrated.

I went one step further on this case. I went to the Chief of Staff of the Prime Minister of Canada. I said: "What are you going to do with this, Mr. Segal? This is serious stuff. We are losing 2,000 to 3,000 kids a day when we could be doing something about it".

There is a spin-off alongside the humanitarian aspect of this, if I could be so mercenary. There is a trading opportunity here for Canada that is in the billions of dollars in all regions of the Middle East. I do not mind getting orders from Syria or Jordan, or getting orders to fill our factories and to put people back to work.

There is another whole aspect to this debate in that good will also creates an edge on other opportunities. There is a two-pronged attack. I presented this to Mr. Segal as late as last night and he said: "I think we should be doing something about this". I can only hope my greatest hope, that Mr. Segal takes this up with his boss, the Prime Minister of Canada, and that the Prime Minister of Canada returns to the good old days when Canada had its own foreign policy: We took the lead, we dared to do things differently, and what better way to begin that new foreign policy than with the kids of Iraq.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I welcome the opportunity to speak on this particular bill. We will support it. The bill is an act to provide for the imposition of special economic measures or, in more commonly used terms, sanctions.

Over the years our party has taken the position that sanctions are a more much effective tool for peace and for effective foreign policy than anything which might lead to the use of military force. We are talking about non-violent sanctions. Those can be defined as anything that will impose a cost on opponents or may change their behaviour but do not threaten human lives or cause physical injury.

Many of the approaches we have taken over the years as a country have not fallen into that category particularly, because we have in the end used sanctions that have done a considerable amount of harm to individuals mentally and physically.

The purpose of this bill is to improve the government's ability to impose a broad range of economic sanctions during or in anticipation of an international crisis. The sanctions suggested are much broader than are generally considered. As the minister indicated, the circumstances under which sanctions are now put into effect have changed considerably over the years. That is what the bill does.

What will this bill allow the government to do a little more thoroughly? Basically the proposed legislation would allow the government to apply measures such as the freezing of the assets in Canada that are held by another state, prohibiting or restricting the import and the export of goods and services, financial conversion transactions, air and sea links, plus restricting some activities of Canadians outside Canada.

Whenever a government applies such measures it allows the cabinet to put in place sanctions very quickly, without having to wait for an international organization such as the United Nations or the Organization of American States to make the basic decision.

• (1150)

In the past the Government of Canada has found it difficult to put sanctions in place because that authority has not been in place in any particular act. Only by the United Nations Act could it make that move, or it could do it specifically in certain areas. That has made it particularly awkward and therefore it was unable to act on its own. This bill will attempt to make it easier for the government to do so.

Even as we support the bill, we have some concerns and we have some reason to believe that there is a need to look very closely at particular parts of the bill. I hope this will be done during the committee process. I suppose we have a half-dozen concerns. Some of them are minor,

but they are basically concerns which we think need to be discussed very thoroughly.

One of the suggestions or sanctions in this particular bill gives the government the authority to seize property or freeze property in the country. Apparently the intent of this is to freeze assets of someone like Marcos from the Philippines who may come to Canada or may have some assets in Canada. However, this has not always been the effect of the freezing of sanctions in the past and it may not be in the future. If a blanket suggestion like this is put in place, there is always someone who is going to be hurt.

The refugee who lives in Canada and has property in Canada or a business in Canada could be affected by such a freeze, if he still is a citizen of a foreign country on which Canada is going to impose sanctions.

There is another part of that particular sanction which I think is dangerous as well. We may wish to delete it to some extent or at least alter it to some extent in committee. I am referring to the ability of the government under these circumstances, if it puts sanctions in place, freezes property or seizes property, to sell portions of the property to pay for the cost of seizing and taking care of the property.

This is dangerous. I hesitate to draw a parallel between what happened to the Japanese in Canada in the last war, but there are some similarities. The property of almost all the Japanese who were forced to move away from the coast and into the central part of Canada was seized and sold. The reason for that was not because the people could not take care of the property but because of the greed of the people in the surrounding areas who wanted control of the property.

There was no national interest in the sale of the property. The sale of the property was done for reasons which were not of any value to Canada. That is not a particularly happy part of our history and it could be repeated in the circumstances which are in this particular bill. I do not think we would want that to happen.

The intent may be good, but I know this is not the reason it was put there. It should be looked at to make sure that it does not happen to hurt not only our people but people from all over the world.

This is not an unusual situation. We will find, without question, numbers of examples where people are returned to their homes and find that the property they once owned has been confiscated by a government, sold for costs which the government says it had, and is no longer available to those people. That is highly unfair and highly unacceptable in our kind of democracy.

There is a second section that we should look at very closely, and that is the section on compensation within this bill, subclause 6(3). This is compensation of citizens or people who are adversely affected by sanctions. Since the reason for putting sanctions in place is to affect a whole nation adversely, there are bound to be effects which are going to overlap into the areas of our citizenship or people we do not want to hurt.

The legislation in this area is very tentative. The Governor in Council may designate a minister to deal with claims. If cabinet overlooks this action, drags its feet, many of our citizens will be hurt or bear the brunt of there being nothing in this particular bill which will allow them to apply for compensation. There is no sort of automatic review of the idea that compensation may be necessary.

I can give a very specific example. When the United States put sanctions on the sale of grain to the Soviet Union after the invasion of Afghanistan, Canada under the Clark government of that particular time acquiesced and went along with it. In 1980 the Trudeau government also acquiesced to that particular request—and that is all it was—of the U.S. government to put in place the same sanction.

Canada in that particular circumstance, because of single desk selling and because we had control of the grain that was sold out of Canada, was the only country able to police the sanction in such a way that there was no grain sold. The United States, for instance, sold to other countries and then it was diverted to the Soviet Union. It was a very surprising fact during that particular period of time, for instance, that Italy became a net exporter of wheat to the Soviet Union. Most of that wheat came from the United States and was transshipped to the Soviet Union. Much of it was not even unloaded in Italy.

Under those circumstances the price of wheat went down about $1 or $1.50 per bushel. Canadian farmers were the only people who were impacted by the United States sanctions on the Soviet Union. At the time I was the spokesman for grains and oilseeds for my party.

• (1200)

I and other members of the opposition, at that time the Conservative opposition, spent a year and one-half badgering the Trudeau government to pay some compensation because there was no automatic method by which compensation could be requested.

It came through eventually, but the process was very painful and it put our farmers at a disadvantage for a couple of years. They still have not recovered from that entirely.

Perhaps this bill should be made more specific. Instead of saying that the Governor in Council may appoint a minister, the bill probably should say the Governor in Council shall appoint a minister whose responsibility it will be to oversee compensation for sanctions when they affect Canadian citizens or other citizens of the world.

I have a couple of other major concerns which I would like to spend a little bit of time on.

Sanctions may bring a country to realize the error of its ways, if that is what is intended, but it is a two-edged sword. When economic sanctions are used, a cost may be imposed on the opponent, but there is also a cost imposed on the user of the sanctions. There may also be considerably greater costs to innocent bystanders. If there is a full international embargo on any particular country, then there are bound to be certain bystanders affected.

I think we need to look at those innocent bystanders and who they are. As a number of previous speakers have indicated, the best examples that we have right now probably are the starving Iraqi children and the situation with the Kurds which are results of the war in Iraq.

We know that the effect of economic sanctions on Iraq has resulted in the starvation of many children. That needs to be considered when those sanctions are extended.

I agree with the previous speaker, the hon. member for Broadview—Greenwood, who suggested that there are ways in which sanctions can be kept, but humanely.

In the particular case of Iraq, Eric Hoskins, who is a Canadian physician who participated in the Harvard study group that was formed to look at the impact on Iraqi civilians, has urged the Canadian government to use some of the frozen Iraqi assets to purchase food and medicine for the Iraqi population.

The British have already done this. They have effectively released some food and medicine by using frozen assets which the Iraqi had in Britain.

It becomes very important to understand that that kind of sanction can do much more harm than we realize it will do.

So just to summarize, we will support the bill.

But we recognize a number of weaknesses that must be dealt with in committee. The weakness of compensation must be dealt with as well as the lack of a humanitarian base always being in place when sanctions are put in place.

We are not happy with the idea that only cabinet can make the decision as to when sanctions can be put in place. It must be a much broader base than it has been in the past.

We will support the bill but we hope that during committee these changes will be put into effect.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I would like to make some comments about this bill that would impose sanctions against certain countries. I wonder why the government, at this point, brings forward such a bill.

As we know, during the debate on the gulf crisis the government was saying very forcefully that sanctions do not work. This was one of the arguments when they wanted to go to war. They said: "Sanctions are not working and if we do not act fast, the children of Iraq are going to suffer and the population of Iraq is going to suffer".

We know what happened. We went to war. More bombs were thrown on Iraq and Kuwait than during World War II. It brought about the destruction of Kuwait. It brought in ecological damage to the Persian Gulf and today the children in Iraq are starving. The Kurds have been displaced. There is tremendous human suffering because at that time the government said: "Sanctions do not work".

I am quite proud that I voted against that war because it did not solve the problem, it just aggravated the problem.

Suddenly, the government, in the name of a new world order as proclaimed by President Bush, now says: "We want you to give us *carte blanche* so we can impose sanctions when we wish."

This bill is flawed. The government does not need *carte blanche*. If it wants to impose sanctions against any nation, it can go back to Parliament and get a mandate to impose sanctions.

I do not see many members on the other side who are going to speak to this bill. Most of them have said that sanctions are not effective and that is why we had to go to war to bring a fast resolution to the conflict in the gulf.

I listened to a member of the Liberal Party who was indicating why it is very difficult to have sanctions and then bring humanitarian help.

If we freeze the assets of a country like Iraq and it wants to buy grain from Canada and it cannot use that money to feed the starving population, what is the use of having these types of sanctions?

Therefore, I cannot support this bill. If it is amended in an extreme form, then maybe I would, but I doubt it. The bill is flawed. At the present time the government does not need a bill like this. If there is ever a crisis it can always come back to Parliament and ask Parliament to impose sanctions against a given population.

• (1210)

I would also like to draw attention to what the previous speaker said about the confiscation of assets of Japanese-Canadians during World War II and how those assets were disposed of. It certainly brought injustice to those people who were Canadians. It shows that if there is a bill that gives the government *carte blanche*, it is not going to be in the best interests of Canada.

I just wanted to make that comment and maybe ask a question to the previous speaker.

I know that the New Democratic Party did not support the war in the gulf. They felt that we should proceed with sanctions. He just told us that they are going to support the bill, maybe not in its present form, but they are going to support it, whatever the end result is.

How can he square his position that gives the government *carte blanche* to impose sanctions against any nation by Order in Council? How does he find that acceptable?

Mr. Hovdebo: Mr. Speaker, we would all have to say that we could not support the Bush administration position during the Iraqi war that the sanctions were not going to work. Those sanctions were pre-empted after only five and one-half months, whereas we know that sanctions do take longer than that. That pre-emption of those sanctions was a mistake.

If the objective of the sanctions was the withdrawal of the Iraqis from Kuwait, it is my feeling and the feeling of many other people across the world that the reason the Bush administration withdrew or pre-empted those sanctions was not because they were afraid they would not work. They were afraid they would work.

Their aim in this particular Iraqi war was not necessarily Kuwait. It was the smashing of the Saddam Hussein government and if sanctions worked, then they would not be able to do that. In the end it did not work either way.

To answer your question specifically, we have hope that any government that will be in place will look at the need for sanctions. We hope there will be enough safeguards within the bill when we get it back to the House that we can be sure that what is done is for the best interests of Canada and not for the best interests of the Bush administration.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

I declare the motion carried.

Motion agreed to, bill read the second time and referred to Legislative Committee E.

* * *

ENERGY EFFICIENCY ACT

MEASURE TO ENACT

Hon. Jake Epp (Minister of Energy, Mines and Resources) moved that Bill C–41, an act respecting the energy efficiency of energy using products and the use of alternative energy sources, be read the second time and referred to Legislative Committee D.

He said: Madam Speaker, prior to starting my comments I want to indicate to my critics opposite that if I leave and do not listen to them, it is not that I would want to leave but I have to host the President of Moldova for lunch. I hope that is understood if I slip away.

I am pleased to be leading off second reading debate on Bill C–41, the energy efficiency act. It is a major challenge facing a government in that it is to find methods of improving energy efficiency across the Canadian economy. By being energy efficient, Canadian consumers can reduce energy expenditures and businesses can become more competitive. Moreover, being energy efficient helps to improve air quality, to preserve water and land resources, and to reduce greenhouse gas emissions.

Of particular concern to many countries is the concentration in the atmosphere of greenhouse gases and their potential to affect the climate. The federal government's strategy to address the global issue is outlined in the green plan. Reflecting the nature of our federation and jurisdictional responsibilities, federal, provincial and territorial governments are working co–operatively to develop a national action strategy on global warming.

I want to commend the standing committee on energy, its chairman as well as the members of that committee. I appeared before them earlier this week and we had a discussion on this issue. They have been doing a lot of work and I look forward to their findings.

Improved energy efficiency is one of the more important components of the strategy. However, governments, both federal and provincial, alone cannot solve this problem. Individuals and organizations need to re–examine how we use energy and there is much room for improvement. Using energy more efficiently is an important first step. To help Canadians use energy more wisely, we have brought forward Bill C–41 for Parliament's consideration, and I use those words "Parliament's consideration" in the best of parliamentary tradition because it is in this area where we can get new ideas and where we can improve on the type of legislation that we are bringing before Parliament that I think can be improved through committee work.

I am convinced that there are many economic opportunities at all levels of Canadian society to be more efficient, especially in the manner in which we use energy. We want to seize these opportunities, opportunities which will benefit both the environment and the economy. Provincial governments, industry associations, community groups and individuals across Canada have already started putting into place promising solutions to our energy efficiency challenges.

I have been particularly struck by the way Canada's electricity supply sector has taken up demand–side management. For example, a few months ago I saw an agreement regarding my department's participation in the activities of Power–Smart Incorporated. This agency was established by B.C. Hydro to assist in the development and delivery of demand side management. Its membership, since those days when I met with them first in Vancouver, has expanded over the years. It now includes 15 Canadian utilities as well as my department. We are now working with Power–Smart and our fellow members on the details of an even further co–operative promotional plan.

Our participation in this enterprise emphasizes our commitment to energy efficiency. It also stresses our conviction to work in partnership to achieve those goals. Bill C–41 is another clear signal of the government's commitment to efficient use of energy. The principle function of the energy efficiency act is to provide the statutory authority for the new efficiency and alternative energy program which was announced in the green plan which we discussed in committee earlier this week.

This program will involve all fuel types in energy using sectors of the economy. It will provide focused support for each sector through initiatives employing targeted information programs, persuasion, regulation and re-

search and development. These initiatives will have net environmental and net economic benefits. Environmentally they will reduce all of the major atmospheric emissions associated with energy use, including those that contribute to acid rain and urban smog. Moreover, by deferring the construction of new energy production and transportation facilities, these initiatives will also result in less degradation of land and water quality.

• (1220)

Additionally the federal initiatives will help strengthen the Canadian economy. This strengthening will result by encouraging investment in energy efficiency and alternative energy technologies.

Canadian consumers who consider energy efficiency more carefully when making their purchasing decisions will be able to reduce their annual energy costs, thereby freeing some of their income for other uses.

Additionally Canadian industry can lower its energy costs, raise productivity and improve its international competitiveness. Furthermore, there is a growing international interest in competitive products as well as technologies and services offering energy efficiency or employing alternative energy sources.

Canadian companies responding to increased domestic demand for such products and services will also gain international opportunities to expand those markets.

Let me give you an example, Madam Speaker, because a lot of this can become very theoretical. An excellent example, I think, of how energy efficiency can benefit the economy is the recent announcement by General Electric (Canada) that it will invest $144 million in its plant at Oakville, Ontario. It is going to do that to supply two new energy efficiency lighting products.

Often we hear about obsolescence in our manufacturing base. This is a reversal, and I think a very happy synergy between the economy and the environment. This new manufacturing capacity will serve a world market, and it is expected that half the production will be exported from our country.

As a result of this investment, 190 new jobs will be created. An example of the area of energy efficiency services, for example, that shows that we can even go beyond products or tangible items for export sales is that we now have membership from Mexico and Czechoslovakia in Power–Smart. The opportunities for job creation and world markets are there, and it is gratifying to see companies seizing these opportunities.

Our new package of initiatives is designed to be prudent. We hope it is balanced and we think it is co–operative. It is directed at overcoming the barriers obstructing the realization of economic opportunities to increase the efficiency of energy use and the utilization of alternative energy sources in Canada. It will involve all fuel types and energy using sectors in the economy.

Members, I am sure, will be interested in knowing that over the next few weeks I will be making announcements again relating to efficiency and alternative energy program initiatives that came from the green plan.

Many hon. members will know as well that I announced in October the three initiatives directly related to the energy efficiency act. They are energy efficiency standards for equipment, Energuide labelling and the national energy use data base.

In November I announced five initiatives aimed at encouraging a more energy efficient building industry in Canada. I have had a lot of meetings with the Canadian Home Builders' Association as well as some provincial organizations. For example, the building energy code initiative will update and rename the federal government's measures for energy conservation in new buildings. When this is complete, we will look to provincial and municipal governments to incorporate these measures in their building codes.

The building information transfer initiative will support increased public and housing industry awareness of the value of energy efficiency. One of the most successful programs, the R–2000 program, is a R–2000 partnership initiative which will upgrade the current R–2000 standard, give greater recognition of environmental consideration and increase market penetration through regional partnerships with governments and utilities.

I will just spend a moment on this, Madam Speaker. The R–2000 licensing program has now been arranged with Japan for building products in Japan. Generally we as Canadians think that we do not have the same technology levels as the Japanese. On R–2000, it is the opposite. We have brought the R–2000 program to Japan.

I can say, and I do not want to be too parochial, but manufacturers of windows and doors in my own area, in my riding and in my own province are using the R–2000 factor and are now starting to penetrate the Japanese market. It is slow work, it is expensive to get into the market, but the R–2000 seems to have helped, almost like a seal of *Good Housekeeping* for those markets.

Additionally our enhanced buildings research, development and technology transfers activities, such as the advanced houses programs, will focus on lab testing, field trials and the transfer of technology to the building sector. I have announced that there are nine winners of innovative housing across the country in which we are going to bring additional technology and hopefully use in it a demonstration in different technologies, different climates, different regions and that they will be transferred to the housing sector as well.

All of this is being done co–operatively with the housing industry and not independently by government alone. As well, through the federal buildings initiative, EMR will assist the federal government departments to improve the energy efficiency of their facilities without compromising the work environment of employees.

I want to thank my colleague, the President of the Treasury Board, who is here today. I am sure he came just to hear me say this. So often in government we are frustrated by the fact that we can get a practical idea and it seems that the system just does not allow us to implement a practical idea. We went to Treasury Board and to Ontario Hydro and we said: "Here is a deal that you cannot refuse".

In my experience that generally does not get you very far. They find a reason to refuse you. The deal was this to Treasury Board. We will do an energy audit, and we have done an energy audit, of some 1,600 federal government buildings. I am not trying to be partisan about this. When there was a change of government in the province of Ontario, it mandated Ontario Hydro to do it for the Ontario government buildings because of the success we are having here.

Then what we did was this. We said to Treasury Board: "You are giving us x number of dollars per year for energy in these buildings. Keep us at this level of expenditure. We will bring in energy efficiency and the saving. We will work with a consulting company and with that saving we will pay back the costs of the new installations".

Coming from a very practical world, in which I live, I thought that made a lot of sense. I want to thank the President of the Treasury Board today. Since we presented the idea, they have only been co–operative. Despite rumours to the contrary, they can work with great alacrity and speed and I want to thank them.

Madam Speaker, I will speak about your throne in a minute because that is also part of this program. That will come a little later in my notes.

That is in the buildings area. I think it is innovative and it is working. We can transfer that also into industry.

As well, in December I announced two new alternative transportation fuel measures. The technology and market department component will expand the use of gaseous and alcohol fuel through incentives, market demonstrations, technology transfers and information assistance. The second measure will support research and development to increase progress in the fields of liquid and gaseous fuels and electrically based technologies.

I cannot make these announcements on behalf of my colleague the Minister of Transport, but I direct my colleagues in the House to the press today. As you will see, there has been further advancement made in this field by the ministry of transport. They will want to announce it in a more formal way than simply through the press.

The principal function of Bill C–41 is to provide the statutory authority for the federal energy efficiency initiatives related to energy labelling, minimum energy efficiency standards and collection of statistics and information.

With regard to labelling and energy efficiency standards, the bill will facilitate enhancement of the existing Energuide, a labelling program which applies to refrigerators, ranges, ovens, freezers, dishwashers, clothes dryers and washers. The program requires that new appliances bear a specified label providing information on a product's energy efficiency which consumers can

use to make the most energy-wise purchasing decision. Bill C-41 will transfer statutory authority for the Energuide program and its regulations from Consumer and Corporate Affairs to EMR Canada, thereby bringing the program under the umbrella of the efficiency and alternate energy program. This will simplify the regulatory and consultative process through which we will update, expand and enhance the Energuide program.

• (1230)

One enhancement will be the redesigning of the label to one that will be easier to read and comprehend. In addition, stronger promotional campaigns will encourage consumers to buy the most energy efficient equipment on the market.

Research and development initiatives under our program will result in more energy efficient products coming on to the market. Minimum efficiency standards will reinforce this improvement by removing inefficient items from the marketplace. In fact, in the right circumstances new products and processes have significant export value. We discussed that as well in the committee recently this week.

While minimum energy efficiency standards will be new at the federal level, in recent years B.C., Ontario along with federal and some state governments in the U.S., have established energy efficiency regulations on several products. Quebec and Nova Scotia have passed enabling legislation in this area and other provinces are considering taking similar actions.

What was developing was a patchwork of energy efficiency standards. Inconsistent standards could prove to be very detrimental. For example, we were seeing that some provinces were becoming dumping grounds for the continent's most inefficient products. In other words, you cannot sell an inefficient product in a jurisdiction that now has passed regulations or legislation, and so it was being made available in other provinces. As well, interprovincial trade could be impaired. It is for these reasons that we are coming in with a national bill.

Consequently there have been requests from both the provinces, the territories, not to mention industry—industry has been very much a part of this—that the federal government exercise its constitutional authority over interprovincial and international commerce in order to help establish a consistent national energy efficiency regulatory regime. This need to avoid interprovincial trade barriers was another point underlined as well in the Porter study on Canadian competitiveness.

Such regulatory action will only be taken following even more consultation with affected parties. Such regulations will be developed so as to avoid unnecessary costs to manufacturers and to facilitate co-ordination with provincial authorities. They will be developed with due regard to Canada's international trade obligations as well as industry's concern that it not be placed in an uncompetitive position.

We will be seeking consistency with standards in provincial and American jurisdictions, and the federal regulatory process ensures that Canadians have the opportunity to comment on these draft regulations.

Part II of Bill C-41 concerns the collection and use of statistics pertaining to the efficiency of energy use and the adoption of alternative energy sources. In the formulation of energy efficiency and alternate energy policy, we have been conscious of our responsibility to evaluate the effectiveness of measures included in that policy and to measure the contribution of energy users to the goal of stabilizing greenhouse gas emissions.

We also wanted to create a solid foundation for possible further measures, not only in terms of facilitating their implementation, but with regard to optimizing their design as well. Furthermore, we knew that in order for Canadians to respond effectively to the threat of global warming we would need to know more about how we use energy in this country.

Both Statistics Canada and EMR have been collecting statistics on the energy industry for some years. My Alberta friends will know this better than most. The focus of these efforts has been at the aggregate level or the financial information. There has been some modest collection of information on energy at the end use level and on alternative sources of energy. This has been done mainly outside of government and the available data are sparse.

In discussing the need for satisfactory data in this area, both departments felt it would be more efficient and expeditious for EMR to pursue the matter as long as

every effort was made to avoid duplication and obviously this information was to be made public. Consequently, our new efficiency and alternative energy program provides for the creation of a national energy use data base which will integrate existing sources of data on energy use and develop and organize new data sources.

We will also seek a clearer understanding of the factors that influence the level of energy usage and what influences companies and householders in their decisions to adopt or ignore certain types of energy using technologies. Again, this will be carried out with Statistics Canada.

We hope that most of the data and information we require can be obtained from existing data bases held by StatsCanada and others from voluntary surveys. If this approach proves inadequate, the Energy Efficiency Act will provide the authority to ensure that necessary information is obtained.

In undertaking any of our regulatory activities we will be conscious of the fact that regulation is a policy tool which, I believe, must be used in moderation. So often it is so easy to say that we will pass another regulation. We will control people by doing this.

I feel comfortable about this bill because in looking at the regulatory side we had a lot of consultations. I wanted to have consultations with consumers and industry because if it is simply another barrier to competitiveness then we have to look at that as well. We have taken full account of these considerations and our regulator initiatives, we believe, are effective and efficient in advancing those objectives we have, because to intervene in the marketplace is a decision which I believe should not be taken lightly. It should be taken very seriously.

Wherever possible, we have sought to reduce the amount of regulation in the country in order to eliminate unnecessary burdens, in order to eliminate those on industry, small business and the public. I can say very definitely that if industry and consumers alike had not wanted to move in this direction, I would have had some serious reservations. Therefore, we have been painstaking in considering their advice. We have been doing this also with utilities and we have structured these authorities which we are now creating under Bill C-41.

By reconsidering how we use energy and by making more informed and responsible choices, we can save money, help the environment and at the same time demonstrate leadership to the international community in its efforts to come to grips with the issue of global climate change.

Like any organization, the federal government is an energy consumer, subject to the same energy efficiency challenges as other Canadians. Within the Department of Energy, Mines and Resources, as I have pointed out, we now have a program known as the Federal Buildings Initiative. In fact, Madam Speaker, I know you will remember from the Speaker's office that we demonstrated to you and to the press, the economic, low cost energy options that have been adopted here in this House.

Together with my colleague the Minister of Public Works, we toured the ceremonial walk which is taken by the Sergeant-at-Arms, pointing out the energy efficiency lighting, the retrofit possibilities. In concert with Public Works and Ontario Hydro, we will follow up these possibilities as well as look at the energy efficiency options for Parliament Hill's long-term energy management needs.

When we were in this Chamber the Speaker sat down in the Speaker's chair and pointed out that the lighting is now changed. I know, Madam Speaker, that this would never apply to you, but he thought that while it might not help in the ability for him to again find the hair he lost—I know you do not have that problem—he thought the lighting was an improvement.

We are trying to be very practical in this place and show very clearly and demonstrate very clearly what we are doing.

In all of these issues there is an overriding consideration. Often Canadians will use the argument or hear the argument made that Canada uses more energy than any other country and, therefore, by extension we are profligate.

An hon. member: Because it is colder.

Mr. Epp: My hon. friend calls from across the House, because it is cold here.

I want to relate a small incident I had when I attended my first—

• (1240)

Mr. Kindy: Because it's cold. You spend a lot of time in Florida.

Mr. Epp: You might, but I can't.

At the first meeting of the International Energy Agency the minister from Sweden happened to be the minister of the environment and of energy. She took Canada on fairly strongly about our profligate ways. As you know, we all defend our country when we are abroad, and I asked officials for the statistics from her country. When I had the chance to intervene I said: "Madam Speaker, I see that your unit use is not much less than Canada's, and might I suggest it has more to do with latitude than attitude".

I think sometimes we as Canadians want to put ourselves almost in sackcloth and ashes. The fact of the matter is that we have a large country. We have a northern climate. We have a sparse population. And so it is in that context that I have to look at these bills as well.

Additionally we also have abundant energy and as a result we have moved into industries which utilize that abundance of energy. It creates jobs; it creates quality of life.

I fully accept as minister of energy that we have to be more energy efficient but we should not fall into the trap, or hear the siren call that I hear so often that all you have to do is regulate people and force change and behavioural change upon them and all these things will change. The fact of the matter is that if you look today at the press, the first half of Question Period often drives the opposition by "why are you losing these industries, why are these jobs lost, why are these towns closing?"

Mr. Edmonston: Because of the GST, because of the GST.

Mr. Epp: The second half is exactly the argument. I hear my colleague from Quebec. I know he knows a lot about lemons and I guess that is why he keeps repeating what he says. As a result, I say to him that the issue has to be balanced, it has to be balanced between the objectives of the environment and the economy.

That is the job of the Minister of Energy. I have said that that will be my objective. I believe this bill is balanced, balanced between those two objectives, helping Canadian industry, helping Canadian consumers, and moving us in a direction which will help our competitiveness.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I only wish things were as simple as we have just heard from the minister of energy. As he has indicated, and I would appreciate him doing so earlier when he leaves for his lunch, but perhaps he would prefer to leave now rather than when I get going because I do not think he is going to like what I say very much and I suspect he is not going to like very much what the critic for the New Democratic Party has to say about this bill.

Mr. Epp: I'd rather stay.

Mr. Kilgour: The bill opts for a regulatory rather than a common sense approach, presumably to foster an impression among Canadians, of whom I note that 11 per cent today indicate they would be prepared to support the re-election of this government. My question is, who are these 11 per cent of Canadians? I would like to talk to them.

The intention is to foster the impression that the government wants to achieve substantial energy savings. Federal officials are to be given the right to inspect any electric appliance shipped across our border. If they find something, for example, a furnace or a toaster that is deemed to waste energy, they will under the bill have the right to confiscate and destroy it at the former owner's expense.

It is the Income Tax Act model which, in many respects, still implies that the citizen and his or her property belong to the government, instead of vice versa. It rather reminds you of a visit to the former East Germany before the Berlin Wall came down.

Instead of a law which mirrors existing American ones, which years ago prompted the manufacture of energy-efficient appliances, thus of course causing the dumping of electricity guzzling ones in Canada, our minister of energy is only now attempting to close the barn door.

It might look quite good if one is unaware of our energy waste realities. In fairness to the bill, regulations would phase out some inefficient equipment from the Canadian market, but as Friends of the Earth put it in a letter recently to my office: "According to the Ontario ministry of energy the federal act as proposed has an import loophole. The focus on dealer means that an individual importing an energy using product for his or

her own use, that is not for resale, is exempt from the act".

If that view of Friends of the Earth is correct, the bill is even more toothless than one might have supposed. The regulatory approach invariably will create other problems including predictable side effects.

For example, in a fairly recent brief to the Standing Committee on Energy, Mines and Resources, the Canadian Electrical Association gave the example of the recently amended requirement for Ontario building contractors to submit bids for non-profit housing contracts on the basis of lowest first cost. This encouraged the use of electric baseboard heating, the least efficient and economical choice from available heating systems. Is that not official madness from an energy efficiency standpoint?

In the same brief the Electrical Association provided some striking examples of regulatory barriers that discourage innovative approaches to developing new environmentally benign technologies.

Public utilities across Canada today are still barred by government regulations from permitting a joint government-industry-utility technology demonstration developed in one jurisdiction to be brought into the rate base of utilities outside that jurisdiction. Short lead time projects are favoured over longer lead time projects which may be more energy efficient.

The bill we are discussing aims at achieving energy savings in the residential sector. However, I quote from the government's 1990 discussion paper entitled *Energy Use and Atmospheric Change*: "The equipment initiatives (and these include commercial, institutional and industrial equipment, not only household appliances) are expected to account for about 25 per cent of total energy savings in the year 2000". The same study estimates that about 28 per cent of total energy savings by the year 2000 could be achieved through transportation initiatives and 27 per cent through industry initiatives.

Moreover, within the equipment initiatives, and I quote from the same source, "the largest simple impact on energy use is projected to result from the increase in the energy efficiency of residential and commercial lighting".

The bill before us is entirely silent on this issue. Yet it has become common knowledge that compact fluorescent lamps consume 75 per cent to 85 per cent less electricity than do incandescent ones and last nine to thirteen times longer than ordinary bulbs.

Why the deafening silence? According to Rocky Mountain Institute calculations, efficient lighting hardware now available for almost any application would reduce in the U.S. the need for about 70 billion to 120 billion watts of power plants. Those plants would cost from $85 billion to $200 billion to build and from $18 billion to $30 billion a year to operate.

Road transport accounts for 30 per cent of Canada's energy use currently and almost 70 per cent of our total petroleum requirements. In all industrialized countries the energy gobbled up by transport exceeds that going to the residential and service sectors together. Instead of targeting the residential sector, any responsible energy efficiency act, which this one in my view clearly is not, should target the users who consume and pollute the most.

Besides, as pointed out by Friends of the Earth, the federal act as proposed only applies to "energy using products". That means that products which do not use energy but affect energy efficiency such as doors, windows and so on are not covered by the act.

The need and obligation to collect data and improve knowledge on the activities of every sector of our economy by appropriate federal institutions cannot really be questioned today. Therefore, the inclusion of the national energy use data base section in the proposed act surprises one, to say the least. Is the government telling Canadians that it intends to find out in the foreseeable future what is actually going on in our country's energy sector, or does it really want to equip its energy department offices with a brand new computer system with more borrowed tax dollars?

• (1250)

Isn't the collection of statistics on energy use a fundamental duty and routine procedure of the federal department responsible for the energy policy of this country? Its inclusion in the energy efficiency act tends to demolish any notion of competence of this government on energy matters.

At the heart of the debate on energy efficiency conservation and alternative energy sources is the widespread public concern about our natural environment. The effects of intensive energy consumption take the

form of acid rain, smog, global warming, depletion of the ozone layer, toxic waste disposal, and so on. The burning of carbon based fossil fuel still accounts for most of Canada's energy production.

Our energy consumption is expected to double by the year 2020 which raises the question as to whether such growth can continue unchecked.

Improved energy efficiency is the cheapest and fastest way to better our energy consumption patterns. Efficiency improvements are estimated to be about seven times more effective in reducing CO_2 emissions per dollar invested than other methods. A policy of active conservation based on the deliberate development of new technologies is a viable alternative to supply side policies aimed at increasing our output of energy. Conservation is by the way also more labour intensive.

Making houses in our constituencies more energy efficient, upgrading lighting equipment in offices, installing more efficient motors all provide new employment for skilled Canadians and create demand for equipment and supplies.

Despite all its Reaganomics rhetoric and extensive deregulation of energy prices in trade since 1985, this federal government continues to intervene in our energy market most notably through subsidies to energy megaprojects and oil and gas exploration.

The government is also a friend of our nuclear industry through regulations, tax policies and very generous yearly subsidies. Meanwhile, programs in conservation and alternative energy sources have been eliminated or cut down since 1984. Subsidizing some types of energy supply production while cutting back subsidies to energy conservation distorts the competitiveness of energy options and increases the negative environmental impact of federal energy policy.

Conservation and alternative energy sources came into sharp focus during the 1970s when unstable political conditions in the Middle East resulted in oil price shocks felt around the world. Oil supply disruptions and price hikes were again experienced in 1979 as a result of the Iranian revolution. The problem reappeared with the invasion of Kuwait by Iraqi soldiers on August 2, 1990.

Consequently one of the major concerns among Canadian energy conservers in our alternative energy industry as a whole has been the "disgraceful" neglect and declining levels of support for Canada's alternative energy program since the unloved Mulroney government came into office in 1984.

The development of significant new energy sources normally takes decades to accomplish. Research cannot be turned on and off from one fiscal year to the next without doing great harm to research efforts. Because of the long lead times for introducing innovations and the long response time of the energy system, decisions taken today will have their full effect only in decades afterwards.

The Tory funding of energy conservation and renewable energy activities has shrunk from about $500 million in 1984 to $30 million in 1990–91. The modest expenditure contrasts sharply with the huge assistance to our nuclear industry, for example. In other words this government spends much more promoting expensive energy supply options than cheaper conservation options, which is economically and environmentally irrational. They call this Tory economics.

In 1984 the government initiated its cutbacks with the elimination of the energy division of the National Research Council that was conducting research into solar, wind and fusion energy, hydrogen, and other forms of renewable energy. In the budget cuts announced in April 1989, only six months after being re-elected, the government shut down its branch offices in the provinces that provided information and grants for energy conservation and renewable initiatives. This was a pretty clear signal that the federal government was no longer committed to the prudent use of energy or interested in searching for new and innovative ways of keeping energy costs down.

The Conservation and Renewable Energy Office helped get funding for the Flair Homes Energy Demo that has helped give Winnipeg, which is close to the riding of the Minister of Energy, a reputation for being a centre of excellence in housing technology throughout North America. This has attracted the attention of building scientists from around the entire world.

The closure of the regional offices reinforced the trend away from conservation that has been present in other policy measures by the Department of Energy, Mines and Resources since 1984.

Valuable programs to advise industries on how to reduce energy consumption, to inform consumers about the energy efficiency of home appliances, to assist people to insulate their homes were all discarded. Our lack of improvement in recent years in energy use per capita can probably be attributed directly to the abandonment of energy efficiency programs in the mid to late 1980s.

A recent study done jointly by Friends of the Earth, Pollution Probe and the World Wildlife Fund entitled *The Summit Environmental Accountability Project* concluded that our progress has not only been poor in energy efficiency but also in CO_2 emissions over the past five years. In 1990 the Government of Canada made a commitment to stabilize its emissions of CO_2 at 1990 levels by the year 2000, and I am pleased that the minister reconfirmed that the other day before the energy committee.

The government's specific plan of action in the green plan very much appears to be still unclear months after it was announced and the proposed programs are inadequate to stabilize emissions. The green plan's original $5 billion budget has been slashed to $3 billion, and it would very much appear that it will be slashed even further. Absent from it is a comprehensive set of regulations and measures necessary for a significant reduction in CO_2 emissions.

We Canadians could partially meet the stabilization targets through energy efficiency and conservation measures alone, but the government has simply not taken any substantive steps in that direction, nor has it estimated the cost of its CO_2 emission abatement strategy. In fact CO_2 emissions dropped by 27 per cent in the early 1980s but over the past eight years have increased by approximately 8 per cent. This is once again, partly at least, the result of federal government cuts to programs which would help Canadians generally to loosen the iron bond of oil.

The move away from energy conservation and efficiency is typical of Tory policy. In October 1989 the transport minister announced VIA Rail cuts that additionally hurt efforts to reduce CO_2 emissions. Rail transport is more environmentally benign than cars, but government made severe cuts to the service before considering the environmental implications. An environmental assessment document released after the decision had been announced was simply shelved.

Moving away somewhat from fossil fuels means that Canadians will have to choose between nuclear and renewable sources of power. In spite of all of the tax moneys directed over the years at nuclear power, we have not yet solved the problem of radioactive pollution generated at each stage of the nuclear fuel chain from uranium mining, milling, refining, fuel fabrication and transportation to reactor operation, to waste disposal. Disposal includes the reactors themselves at the end of their 30-year life-span.

If the government were involved in assisting the supply of "soft" energy to the same extent as nuclear technology, the economics of the renewable energy technologies would simply cease to be a problem. The technology is here today. It is commercially available despite an uneven playing field. Some are familiar with the Solarwall system from Downsview, Ontario which proved to be an international success. Both Americans and Europeans are showing great interest in that product, which suggests that the Canadian renewable technologies are world class.

Photovoltaic technology has enormous potential in the far north. It is being used to provide electrical power to remote homes, for remote lighting, communications systems where installation of commercial power lines is prohibitively expensive and the price of diesel fuel is very high.

• (1300)

The federal government ought to increase R and D funding for renewable energy technologies. Some analyses show that it takes about 50 years for any new energy technology to become established as a significant producer of electricity. It is going to take many years for new construction techniques or new high efficiency motors, appliances and heating installations to make a substantial reduction in our energy consumption.

Canada for the time being has a yearly R and D budget for wind energy of around $700,000. The U.S. department of energy has an annual budget of $21 million for wind energy. The European community R and D budget

hovers around $150 million annually for that type of research.

The government ought to initiate programs demonstrating the applications of renewable energy and energy management technologies.

Demonstration programs are an excellent way to introduce new technologies to the marketplace. They also assist the industry to market their products abroad, since the programs help to provide high profile evidence of domestic use of new technologies. This should be a very critical point in our foreign aid policies to the developing world.

As reported in *Scientific American*, economic projections show that if nothing is done to hasten energy technology development and to introduce existing efficiency technologies into developing countries, global climate change and other major environmental problems will escalate beyond acceptable levels.

Even if the so-called developed countries manage to reduce our CO_2 emissions by 50 per cent, population growth and economic development in the so-called developing countries would most likely increase their CO_2 emissions from 450 to about 900 kilograms per person annually by the year 2030. World-wide emissions of CO_2 will then be 2.5 times of what they are per year now.

With the co-operation of the industrialized democracies, the developing countries could apply technical solutions that would promote economic growth while keeping energy demand growth relatively low. CIDA, our aid agency, should support the use of renewable energy forms in all energy-related foreign assistance.

Fossil resources will continue to be indispensable to our economy until we have a sustainable system built around renewable energy sources. This is beyond doubt.

Thus, from now on there will be a slow but continuous change from the heavy reliance on relatively cheap and easy oil and natural gas to an extended period of using fossil fuels that have potentially larger environmental impacts.

Eventually, Canadians will choose not to use fossil fuels because of the availability of cheaper and easier alternatives. That the transition from the use of fossil fuels is inevitable is indisputable.

In the meantime, however, we must increase the efficiency of fossil fuel use by extracting the maximum energy from it while minimizing harm to the environment.

Tory energy policy appears to rest ultimately on the optimistic assumption of short-term price stability in the oil market followed by price increases in the mid-1990s and of growing American energy supply requirements, particularly in natural gas.

In 1986, however, that optimism was severely tested by the spectacular drop in world oil prices and by the chaos in the natural gas markets.

As one historian put it: "Within weeks of the fall of international prices companies were cutting back their exploration budgets, laying off personnel and asking for more and more government aid in an attempt to ride out this down side of the energy crisis. Alberta and Saskatchewan responded nervously with further cuts in royalties and taxes, while simultaneously demanding more help from Ottawa in the form of assistance in keeping the oilsands and other projects going when oil prices were rendering them temporarily uneconomic".

Those words by an historian aptly characterize the present condition of our vital oil and gas industry as well. In the first quarter of 1991 numerous companies have reported sizeable losses and the net oil and gas industry income for that period was the lowest in five years.

This poor performance is attributed to a set of complex and intertwined circumstances, including a wider gap between light and heavy crude oil prices, declining conventional production, outdated regulatory requirements, growing environmental demands and a several-year long decline in natural gas prices.

Unfortunately, according to many industry observers these trends are likely to continue, increasing the industry's operating loss and hurting profits. Inevitably one of the most tangible consequences of this will be even more jobs lost in a battered and vitally important Canadian industry.

There is, as members from the west will know, virtually no major oil company that has not been forced to reduce its work force in recent years.

In Calgary, Gulf Canada Resources eliminated 250 jobs last May in an attempt to save between $30 million and $35 million by next year.

Imperial Oil has slashed 4,000 positions since 1989. Recently, more than 1,700 employees were laid off in a single swing of the axe, the same time it shut down 1,000 service stations, or at least announced the shutting down of them and reduced its refining capacity.

Since 1989 Petro-Canada has laid off about 1,500 employees nation-wide, only partly due to its drive to privatization. Last month it announced plans to close about 1,200 service stations across Canada.

Other major oil companies that have or will make major lay-offs include Amoco Canada, BP Canada, Husky Oil and Canada Northwest Energy.

Job losses tragically are now measured in the thousands and the western Canada oil patch could lose as many as 10,000 more livelihoods by 1995. That is careers, mortgages, children's education, demoralization, and it is social problems of all kinds.

The industry's work force peaked in 1985 at 140,000 and has declined steadily since then to 80,000. Last year more than 3,200 employees were laid off by major oil and gas companies alone. Mergers and downsizings are expected to increase-creating serious disturbances in the oil industry labour market.

In fact, I mentioned this the other day, I have a neighbour who goes to work each month, not in western Canada. He goes to work in North Yemen. He gets on an airplane, leaves his wife and two children, flies to North Yemen and works there for a month and then comes back to visit his family for a month, getting each alternative month off.

The question that many of us have is as to why can we not find work for him to do in Alberta, Saskatchewan, B.C., the Northwest Territories or somewhere in Canada, of course Hibernia included.

With bleak forecasts for the foreseeable future, temporarily laid-off professionals and others are not being rehired and many young people are not even considering careers in the oil and gas fields.

A shrinking, highly specialized work force puts an additional stress on the oil industry's efforts to maintain the technological edge which has kept our Canadian oil patch competitive internationally.

All that could backfire when oil and natural gas prices eventually improve and the crisis is hopefully over.

Recent bitter battles between the Alberta natural gas producers and the state of California are yet another reason for concern.

The notorious California Public Utilities Commission which is concerned only with the short-term interests of consumers and not with the long-term survival of producers, is unilaterally demanding radical changes to marketing arrangements with Alberta producers. It claims that the San Francisco based Pacific Gas and Electric Company has no obligation to honour long-term contracts with its suppliers.

Every day more than a billion cubic feet of western natural gas goes down the pipeline to California. For 30 years it has been a peaceful and mutually advantageous business. But political relations between Canada and the U.S. have changed to the point that what was formerly security of supply has become less of a concern for California consumers and the arguments are focusing now on price alone.

To no one's surprise, the Canadian Petroleum Association is outraged, saying that the California Public Utilities Commission—we call it CPUC in Alberta—"refute the sanctity of contracts" and that they "effectively violate the principle that buyers and sellers can negotiate market responsive contracts free of regulatory interference".

• (1310)

The bargaining that is being accompanied by a series of demands, threats and political manoeuvres may result in heavy cuts in the $1 billion western Canadians now earn annually in gas sales to California.

Moreover, should California's pricing policies emerge a winner, purchasers in Ontario might well be prompted to arrange the same deal for their gas consumers.

In fact, some institutional gas buyers in central Canada have reportedly refused to enter into long-term contracts with western Canada gas producers. That is also causing major problems for people who earn their living from oil and gas in my province.

These are just some examples of how Tory policy has turned out to be wrong, threatening to undermine not only the economies of the government's so-called energy policy but also Canada's long term energy interests.

There has been no leadership in the areas of environmental protection and energy conservation. The Canadian public has been continuously misled by misleading promises by a government that nonsensically maintains that it is serious about taking action on changing our energy consumption patterns.

Probably the closest the government has come to supporting energy conservation, ironically was during the Persian Gulf crisis when its energy department began to promote conservation and efficiency in some ads.

In the Mulroney government constitutional proposals, the government wants to recognize, seemingly, the exclusive legislative jurisdiction of the provinces in sectors that are now treated in many cases as concurrent areas. These include tourism, forestry, mining and recreation.

I think many Canadians are likely to query whether the government will by implication simply opt out of a meaningful environmental role in, say, mining and forestry.

The notion that this government is now prepared to discuss transferring to the provinces exclusive authority over wildlife conservation and protection, soil and water conservation and so on is distressing.

Many Canadians are concerned that if that passes, all provinces will be pressured into an environmental bidding war with each other to attract new industry.

Allowing the provincial governments greater control over environmental regulations could well undermine any efforts at implementing nation-wide environmental standards. This might apply as well to the development and adoption of energy efficiency performance requirements for energy using equipment.

The housing industry and office factory buildings provide the government with an excellent opportunity to introduce effective conservation measures. Federally imposed standards could be incorporated into all plans for insulation, low energy lighting, night storage water heating and so on.

Relegating to the provinces some exclusive areas of authority and competence in the area of environmental protection will probably only exacerbate interprovincial discrepancies and further reduce the regulatory coherence of the present federal government.

Many Canadians are painfully ignorant, unfortunately, about energy and environmental issues still. According to the *Out of Balance* report by the Standing Committee on the Environment: "Three in 10 Canadians actually believe that global warming is going to be positive for Canada".

Our increasingly electrical society has never before been asked to unplug computers, video games, fax machines, to turn down thermostats and to wear sweaters. Wearing more sweaters might help the textile industry in your province, Madam Speaker, and in Cornwall and elsewhere.

Even if energy saving technology is available now, how do we get people to buy it? The public must make a conscious decision to reduce its demand for fossil fuels, realizing that improved efficiency will not necessarily lead to a decline in living standards or in the work environment.

The introduction of energy efficient housing technologies, for example, is slower than it could be because many builders and architects are still unfamiliar with energy saving technologies.

Even more important, Canadians do not yet demand them. I understand that in comparison with the average home built in the United States, some super insulated homes in the state of Minnesota require 68 per cent less heat. For some residences in Sweden, the saving is 89 per cent.

Research done at the Lawrence Berkeley Centre for Building Science in California indicates that an $8 million investment in manufacturing and installing low emission windows would eliminate the need for 36 million barrels of oil which would cost $300 million to produce. The next federal government will have to take the responsibility to provide important kinds of information and education to our public.

Madam Speaker, you are probably thinking I have been going on for a long time. There is much more I could say. My party agrees with much scepticism to let this bill go to a legislative committee. Hopefully a host of changes can be made in committee.

Mr. Ross Harvey (Edmonton East): Madam Speaker, might I, at the risk of violating the rules at the outset, express my regret that, due to his absence, I am unable personally to inform the minister that the New Democratic caucus supports this bill. I am unable to inform him through his parliamentary secretary as that good gentleman is as well absent. Let me ask the hon. member for Calgary Southwest if she would be so kind as to convey to the minister the fact that, in this matter at least, he will enjoy the support of the New Democrat caucus and we will work to facilitate the quick passage of this bill. We generally welcome any move, however small, to increase energy efficiency in the Canadian economy.

We recognize that this bill is only a shell. It is merely a mechanism, a nicety with which Parliament will give to the government the authority to pass regulations to effect the stated aims of the bill. In other words, we are not actually debating energy efficiency standards when we debate this bill. We are debating whether or not to give the government the authority to set energy efficiency standards.

I would note that this bill having passed, as I assume it will, the government thereafter should present to this House or, at the very least to the energy standing committee, the regulations it proposes to promulgate under the authority of the bill so that the meat of the matter can be debated and approved or rejected, as the case may be.

Unfortunately, even with those regulations, and although this bill is a positive development, it really amounts to little more than a drop in the bucket. In terms of fostering energy efficiency in our economy and in our personal lives, what Canadians required was a Great Dane. What this bill gives them is a Chihuahua. What Canadians required was a Mad Dog Vachon and what this bill gives them is a Green Gabled Anne. What Canadians required was a mighty oak. Alas, this bill far more properly could be deemed a bonsai rubber tree.

This is of a piece with the government's record in terms of energy efficiency. We cannot forget nor should we forget that this is the same government that has slashed its annual expenditures on energy conservation and alternatives by over 90 per cent since it was first elected in 1984. The Conservatives have reduced the budget for energy efficiency and conservation every year that they have been the government; in 1984–85 it was $410 million, in 1985–86 it was $207 million, in 1986–87 it was $100 million, in 1987–88 it was $89 million, in 1988–89 it was $74 million, in 1989–90 it was $49 million, in 1990–91 it will have been $40 million, and this year it will come in at something between $35 million and $39 million.

These are not just numbers that have been cut. These are not just tally sheet ledger entries. These are programs and activities that were intended to, and in many respects did, foster the wiser use of energy by Canadians. There were programs like the Canadian Home Insulation Program which provided contributions of up to $500 per household to save energy, by upgrading the thermal efficiency of existing homes and by encouraging good workmanship and practices in refitted houses.

The Canadian Energy Audit Program, the so-called CEAP, which provided free on-site audits of energy consumption patterns and suggested low cost maintenance adjustments to conserve energy is gone. There was the Atlantic Energy Conservation Investment Program which encouraged energy conservation in an area with high energy prices and few substitutes for imported oil and which resulted in improved buildings, industrial processes and manufacturing operations. It was cut.

• (1320)

I have more. The Solar Energy Demonstration Program, which developed cost effective applications for active solar energy technology and encouraged its use, resulted in over 12,000 domestic hot water systems and over 200 industrial solar systems being supported. That is gone out of the remote community development demonstration program. Pardon?

Madam Deputy Speaker: Slow down.

Mr. Harvey (Edmonton East): Is that tone down or slow down?

Madam Deputy Speaker: I was trying to express to the hon. member what I have done before. I ask him to slow

down. To say "tone down", I would never do that, but slow down and try to give a hand to the poor people who are keeping up and translating to French.

Mr. Harvey (Edmonton East): Thank you, Madam Speaker. I do apologize to the translators. It is, alas, my enthusiasm both for proper energy efficiency encouragement in this country on the one hand and for, in a sort of Calvinist sense, bringing to the attention of this government its sins on the other.

To continue, I hope at a slower pace, the Remote Community Demonstration Program which provided advice and financial support to 370 remote communities adopting energy alternative systems and conservation methods is gone.

Under the Forestry Industry Renewable Energy program, which provided financial assistance for biomass energy facilities, 180 projects were initiated on wood, municipal waste, agricultural waste and peat energy facilities. That is gone.

The Industrial Conversion Assistance Program, which provided one half of most capital costs to commercial, industrial and private institutions where they converted their boilers and heaters from heavy fuel oil to natural gas, is gone.

All of these programs which were in place, which were effecting the transition in Canadian industry and in Canadian homes from the less energy efficient to the more energy efficient use of energy are gone. They are gone with the wind. In the case of wind energy, gone without the wind.

On top of these program cuts, the Conservatives have also eliminated the Conservation and Renewable Energy Offices, the so-called CREOs. These were the major means that we had devised in Canada for taking what the experts and the bureaucrats know about energy efficiency and how to effect it, taking that information and distributing it to the people where the information can be used. Those, too, are gone.

It is a sad record of cuts. The government is only now beginning to turn its attention to reversing some of these horrendous program cuts. Even so, it is hard to get very enthusiastic about this minor turnaround. Funding for these efforts is pathetically small.

On Monday the Minister of Energy, Mines and Resources told the Standing Committee on Energy, Mines and Resources that he expects the government will spend an additional $175 million on top of the $37 million already budgeted on energy efficiency and alternative energy. It sounds good. Keep in mind that that is actually less than the government budgeted for AECL, Atomic Energy of Canada Limited, for just this year. Unfortunately, the minister admitted that $175 million was not to be spent each year, but would be spread over six years, the life of the green plan.

Moreover, the minister said that that spending would not even necessarily be spread evenly over those six years, but let us be generous and say that it will be spread evenly over those six years. That means that government spending on energy efficiency and alternatives this year would amount to about $66 million in total. That is still less than the government spent for this purpose in fiscal 1988–89.

It is 84 per cent less than was spent the first year the Conservatives took office in 1984–85. Remember, it is not that the government does not have the money. The Mulroney Conservatives have consistently diverted money away from energy conservation, efficiency and alternatives to other less environmentally benign energy sources.

I have some examples.

When the government privatized Petro-Canada, thereby throwing away our valuable public energy company, a company that could have been used to encourage the use of more environmentally sound fuels like ethanol or to take the lead in recycling used engine oil and reclaiming air conditioning chemicals that deplete the ozone layer, the $520 million raised by the sale of the first 20 per cent of the company did not even go into government coffers. It went back to the company. So the government paid the investors for buying shares in a company that belonged to the taxpayer $520 million. I will not say it is madness, I will not say it is insanity, I will not say it is lunacy of the first rank, but I will say it is difficult to say it makes a lot of sense. Still, that is what they did. That is what they continue to do. The government slashed funding for VIA Rail, one of the most energy efficient modes of transportation, while supporting one of the most energy inefficient ones, air travel, by expanding the Toronto airport.

The Conservative government has seriously skewed what financing it does provide toward nuclear energy.

For example, the April 1991 corporate plan and budget summary for Atomic Energy of Canada Limited shows that the federal government has invested $4.5 billion in nuclear energy research and development over the last 40 years. That is $110 million every year for 40 years. In 1995–96 alone, Canadian taxpayers are expected to fork over another $197 million to Atomic Energy of Canada Limited.

It does not have to be this way. For example, Ontario Hydro recently diverted funds previously earmarked for nuclear energy into energy efficiency and conservation, an example that this government would do very well to follow.

So what can be done? How can we better use the public resources that are available to effect a goal that we all claim to desire, which is far greater efficiency in the use of energy in Canada and far more integration of the energy alternatives that are available into our civil society?

There are literally countless ways in which the federal government could spur energy efficiency in Canada, but judging from the thin gruel of legislative activity in this area, this bill included, increasing energy efficiency is clearly not a top priority with the current government. Still, in a spirit of non-partisan accommodation, let me give to the government, which has become virtually invisible, a series of suggestions.

First, implement compulsory fuel efficiency standards for new cars, vans and trucks by at long last proclaiming the Motor Vehicle Consumption Standards Act which was passed by this House in 1982 but to this day has not yet been proclaimed. Voluntary standards are not working. The over-all fuel efficiency of Canada's new motor vehicle fleet increased rapidly during the 1970s, but it slowed in the 1980s and has declined since 1988. We have not only stopped making headway, we are falling back. Adopting progressively more stringent fuel efficiency standards should be one element of a comprehensive Canadian strategy to develop a more energy efficient and environmentally friendly economy.

Environment Canada's inventory of CO2 emissions, published in May 1990, estimates that Canadian road vehicles emitted nearly 27 million tonnes of CO2 in 1987. The entire transportation sector emitted 39 million tonnes, roughly 30 per cent of Canada's total of 128 million tonnes. The National Energy Board projects the transportation sector will emit nearly 150 million tonnes of CO2 by the year 2010.

The August 1989 report by federal, provincial and territorial energy ministers concluded that, and I quote:

> Transportation energy use offers the greatest potential for emissions reductions at point of use.

"The greatest potential", Madam Speaker. What do we do knowing this? This is not a secret, this is not a surprise. Governments and their bureaucracies know this. What do we do? We continue to refuse to proclaim that act, already passed by this House, which would allow us to put in place the progressively more stringent new vehicle standards that would cause massive cuts in emissions.

• (1330)

It is inexplicable but it is a simple, easy place to start. I urge the government in the spirit of the bill it has placed before us today to proclaim that act as well.

Second, we can encourage the design and construction of energy efficient buildings. This is not hard to achieve. The government should start by strengthening the provisions of the 1983 measures for energy conservation in new buildings under the National Building Code. It should incorporate the strengthened measures into the code by extending those measures to include apartments and other commercial buildings not covered by provincial jurisdiction for which energy efficient guidelines do not now exist. At the same time, it can work with the provinces to effect similar improvements in the provincial building codes.

A third step is to restore funding of energy efficiency, conservation and energy alternatives to 1984 levels, especially for research, development and commercialization of new alternatives, for example, the Ballard hydrogen cell being developed in Vancouver. Mr. Ballard himself told the Standing Committee on Energy, Mines and Resources that he was in danger of losing control of his company that has developed this cell which is at least six months ahead of anything else on the planet, to a foreign owner because he cannot in Canada raise the measly $50 million he needs to pursue its commercialization.

If ever there was a place for government to involve itself in the aid both of a cleaner, healthier environment and in the aid of a developing Canadian industry on the

cutting edge of international technology, this is it. Or the development in Alberta of the solar pumps that can be used on farms to pump water out of the ground, strictly working on the basis of the sun that shines down out of the sky. This too represents tremendous potential both for domestic development and for international sales. Or, and this is so obvious, the massive extension of fuel ethanol availability throughout Canada.

There is at present one oil company in Canada, the independent Mohawk Oil Company in western Canada, that supplies ethanol blended fuels. There is no reason on God's good green earth why we could not make that a requirement for every gasoline vending corporation in this country. It would be good for the environment and Lord knows it would be good for the farmers who grow the grain and other crops from which the ethanol could be derived.

As well, a fourth step is to restore the conservation and renewable energy offices, the CREOs, across the country, so that Canadians have easy access to the information on the basis of which to make environmentally wise choices about energy and energy use.

In short, what is required is that the government abandon its so-called market based approach to energy policy. Instead let the government develop policies and programs emphasizing a strategic combination of energy efficiency standards, improved information programs, direct financial incentives and research, development, demonstration and commercialization so that Canada may begin to achieve the major economic and environmental benefits that energy efficiency, conservation and alternatives have to offer.

This bill is a step in the right direction. It is a baby step. It is a teensy little step, but it is a step. Even allowing that, we will have some significant questions in committee. We will be interested in expanding the scope of this bill to the extent that it is deemed to be in order. We will be interested in learning if there is any justification for the fact that the bill applies merely to energy using products, thereby apparently excluding significant products such as doors and windows. We will be asking why the bill applies only to manufacturers and bulk importers, thereby apparently allowing the import into Canada of energy inefficient appliances by individuals. These detailed matters will be pursued in committee.

Let me note in conclusion that while we support this bill and acknowledge that it is a teensy step in the right direction, we are also hoping the government will come forward soon with much more significant bills in this vein.

There is a great deal to be done. We in the New Democrat caucus applaud lightly this first step, but we urge the government to seize this matter and take those giant steps that are required. Let green gabled Anna with her chihuahua in her lap ponder her Bonsai rubber tree. Let the Canadian government on behalf of the Canadian people get to work on the job that needs to be done.

Mr. Phillip Edmonston (Chambly): Madam Speaker, it was with great interest that I listened to my colleague speaking on the government bill.

Of course, we in the New Democratic Party support the concept of energy conservation. I would like my colleague to comment on this. Every time we see the government rely upon voluntary standards, particularly in the automobile industry, or every time the automobile industry comes up with their own standards, it seems that the average motorist gets it in the neck.

An hon. member: Or in the lungs.

Mr. Edmonston: Or in the lungs, or the pocketbook. I want to bring two points to the attention of my colleague that I would like him to comment on.

When we were looking at energy savings and at the same time reducing pollutants, particularly in 1976 as a result of the American efforts and the Canadian efforts just to be in conformity with the American efforts, there was a device called a catalytic converter that was attached to the internal combustion engine or the exhaust system. As consumer advocates we have always called it "the infernal combustion engine" because it is most inefficient.

This catalytic converter was supposed to clean up the pollutants as well as make for a cleaner running, smoother engine. I have to say that this has not occurred. We were told that we would only need a tune-up maybe once every year because the engines would run much cleaner. We were told that we would save on fuel. For the first five years, of course, we did not save.

Finally, if I may just conclude, motorists felt that they were being had by the industry in the name of protecting the environment.

I would appreciate my colleague's comments on this.

Mr. Harvey (Edmonton East): Madam Speaker, I must say that in matters involving automobiles and the automotive industry I bow to the expertise of my colleague from Chambly. Lord knows he is probably the best known consumer advocate, *vis-à-vis* the automobile industry in the country, perhaps on the continent. When he tells me that catalytic converters have been a bad thing, I am not going to argue. In fact, this had been my suspicion, but I must confess that what the hon. member has said now greatly reinforces that suspicion.

I would just repeat something I said in the body of my remarks earlier, which is that the record of government regulation of automobile emissions is clear. When those regulations were brought in and effected in the mid-1970s, emissions from automobiles dropped. In some regard, they plummeted. However, when those standards became voluntary in the early 1980s, progress virtually ceased.

People were spending time worrying even about those voluntary emissions. The people in the industry do not any more. Since 1988 we have fallen back. Emissions from automobiles have grown worse.

I can think of no clearer example of the efficacy of government regulation. It may be distasteful for those who believe in the market red in tooth and claw to contemplate the prospect of the public sector telling market players what they can or cannot do. As unpleasant as that prospect may be, it is absolutely essential if as a society we are to progress. That clearly is the record of the history of this country and indeed of all countries, and to argue against it is mere cavilling of the most captious sort.

• (1340)

I thank the hon. member for his comment. I thank the hon. member for his instruction. I wish him all the best in continuing to defend Canadian motorists.

Mr. Rex Crawford (Kent): Madam Speaker, it gives me great pleasure to rise in the House today to speak on Bill C-41, the energy efficiency and alternative energy act. I have more than a passing interest in this piece of legislation since I have had a private member's bill on the books for over two years that has practically the same things in it, almost word for word. At the outset I want to offer my hearty congratulations to the government for following the strong, progressive and capable lead of the Liberal Party of Canada.

My Bill C-347, the energy conservation standards act, has the same provisions about setting minimum energy efficiency standards on equipment and requiring special labelling to show consumers the most efficient products. My bill also called for national standards that are consistent across the country. So does Bill C-41.

I must say again that I am glad the Tory government is finally taking this initiative. It is a long time in coming, and this is from a government that had slashed alternative energy programs by over 90 per cent since 1984.

The current government is also following the lead of many provinces including Ontario where the Liberal government of the day introduced its own energy efficiency act in December 1987. I guess it is better late than never for the members across the floor.

Saving energy by regulation is a tool of the government. We know that economies around the world operate at below the optimum level of energy efficiency. Ontario and the rest of Canada are no exception. Energy efficiency provides a stream of economic and environmental benefits.

We all realize the barriers that prevent these sorts of energy savings from being captured. These barriers include a lack of consumer information and rate structures that may act as disincentives to conservation.

These barriers must be broken down. Governments have powerful tools to remove them, such as their fiscal policy to favour conservation, leadership by example—that is a good one for this government—incentive programs, consumer education, support for research and development, and actual regulation of minimum energy efficiency levels.

While on the one hand I applaud the government for coming through with this bill, I must also point out that one of the major concerns of people is the disgraceful neglect and declining level of support for Canada's alternative energy programs since 1984.

The development of new energy sources normally takes decades to accomplish. Research cannot be turned on and off from one fiscal year to the next without doing great harm to research efforts.

A recent study shows federal funding has been horribly slashed from about $500 million in 1984 to merely $30 million in 1990–91. I certainly hope the finance minister will be more environmentally conscious in next Tuesday's budget.

It is worthy of note that during the period from 1980 to 1984 an average of $400 million was spent on alternative and energy conservation programs. Then in 1984 the Conservatives out and out eliminated the energy division of the National Research Council. There have been cuts at Energy, Mines and Resources for staff and branch offices, and programs to help people insulate their homes, to inform consumers about home appliances, and to advise industries on how to reduce energy consumption were all discarded. Perhaps Bill C–41 is a deathbed repentance for the Tories. Improving energy efficiency means reducing energy waste. Better building designs, more efficient equipment, improved furnaces, transportation and electric motors can lead to further significant gains. Energy efficiency is the leanest, cheapest and fastest way to improve the energy balance.

The House of Commons Standing Committee on Environment has made great progress on getting the four *r*s implemented on Parliament Hill. The hon. Speaker of the House has spearheaded these actions and he should be congratulated for the extremely successful greening of the Hill plans.

It cannot be overstated that energy efficiency is needed in Canada. A November 1990 study stated that among the industrialized countries Canada ranks first in energy use per capita, first in energy unit per Gross Domestic Product unit, and second in per capita carbon dioxide emissions.

In the early 1980s there was a tremendous improvement of about 10 per cent in CO_2 emissions, but over the last five years there has been no reduction in energy intensity. This is mainly due to the current government's cutbacks in programs since 1984.

Performance on energy efficiency and carbon emissions since then has not only been a disgrace, but many—

Madam Deputy Speaker: I am sorry I must interrupt the hon. member.

It being 1.45 p.m., pursuant to order made Wednesday, February 19, 1992, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the bills now before the House.

The first question is on the motion of Mr. Epp for second reading of Bill C–41.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to Legislative Committee D.

* * *

[*Translation*]

CANADA PENSION PLAN

MEASURE TO AMEND

Mr. Danis (for the Minister of National Health and Welfare) moved that Bill C–57, an act to amend the Canada Pension Plan, be read the second time and, pursuant to order made Wednesday, February 19, 1992, referred to Committee of the Whole.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and the House went in committee thereon, Mrs. Champagne in the chair.

[*English*]

The Chairman: Order. House in Committee of the Whole on Bill C–57, an act to amend the Canada Pension Plan.

Shall Clause 1 carry?

On Clause 1

Hon. Marcel Danis (Minister of Labour): Madam Chairman, on behalf of the Minister of Health and Welfare I would like to thank all members of this House for their co–operation in getting this bill through all stages in very exceptionally quick time.

• (1350)

Also on behalf of the minister I would like to thank the hon. member for Don Valley East who is in the House today. The bill the government is introducing, as members know, was originally introduced by the member for Don Valley East. I am sure that all members will join with the government in recognizing the outstanding

work that he has been doing for the disabled people of this country.

Mr. Rey Pagtakhan (Winnipeg North): Madam Chairman, I would just like to indicate on behalf of the Liberal caucus that we support this bill. It is a partial victory for all disabled people. There is still work to be done, but we welcome this bill.

It proves that an initiative by a member of Parliament can really triumph in a democracy.

Mr. Phillip Edmonston (Chambly): Madam Chairman, on behalf of the NDP we would also like to express our support for the hon. member's work for the disabled. We owe this legislation to a member of this House who, like most other members, is not a minister and has no impressive titles after his name. I think this proves that if a private member decides that he wants to do something for people in society in general, we can do something right here in the House of Commons.

It is very gratifying to see that we achieved this today on a strictly non-partisan basis. We are delighted to support this bill.

[*English*]

The Chairman: I will recognize the hon. member for Don Valley East, but I should tell the committee that according to the order passed on Wednesday there should have been no debate whatsoever.

As everyone has kept his remarks very short and knowing the work that the hon. member did, I know he will also keep his remarks very short.

Hon. Alan Redway (Don Valley East): Madam Chairman, on behalf of the disabled of Canada I would like to thank all members of this House including the government for the outstanding co-operation in putting through this bill to amend the disability provisions of the Canada Pension Plan.

I would like to thank the minister and his staff, particularly Melody Tomka. I would also like to recognize the tremendous contribution and tremendous hard work done by Robert Lea of my own staff on this. All Canadians can be thankful to all of them and to all of the members of this House for this outstanding piece of legislation.

Some hon. members: Hear, hear.

Mr. Dennis Mills (Broadview—Greenwood): Madam Chairman, as members know, I share a boundary with the hon. member for Don Valley East. I too would like to congratulate him on his fine work. He serves me as a constant reminder of dedication to not only his own constituents but the people of Canada. I salute him.

The Chairman: I guess all of the preceding can be considered a very long point of order.

Clause 1 agreed to.

Clauses 2 to 3 inclusive agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

SUSPENSION OF SITTING

[*Translation*]

Madam Deputy Speaker: Pursuant to order made Wednesday, February 19, 1992, the sitting of the House is suspended until two o'clock.

At 1.54 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

PULP AND PAPER INDUSTRY

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, northern Ontario's forestry sector employs 37,000 people. Over 30 communities largely depend on this industry for their survival.

The pulp and paper industry in northern Ontario has been hard hit by the recession, by the high transportation costs in accessing and exporting its resources and by its high production costs due to antiquated equipment. In Ontario, 60 per cent of newsprint machines were installed before 1930.

If the pulp and paper industry is to survive it is absolutely essential for it to invest in new equipment and technology in order for it to become competitive in the global marketplace.

The Liberal Party made recommendations to the government last year asking it to consider implementing a proposal which would require industries to re invest 20 per cent of their annual profits into modernization and pollution control to ensure that they remain competitive.

We also suggested that the government look at implementing an industrial investment fund system of corporate RRSPs similar to the one being used in Sweden.

It is incumbent upon this government to take the leading role in ensuring that the pulp and paper industry in northern Ontario and across Canada becomes competitive through technological change.

* * *

PENSIONS

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, this government has again demonstrated that we are listening to the concerns of Canadian women by introducing new legislation that will make major improvements to public pensions.

Part-time employees may now join pension plans.

In the future, plans must offer survivor benefits and these must continue after re-marriage.

Pensions and pension credits will be divided upon marriage break-down.

Men and women retiring under similar circumstances will be entitled to equal pensions.

This will greatly help those who need retirement protection the most. It will help Canadian women.

* * *

MACMILLAN BLOEDEL LIMITED

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, British Columbia's largest forest company, MacMillan Bloedel, lost $90 million in 1991.

During the same year MacMillan Bloedel blamed continuing losses for the closure of a plywood mill and a sawmill operation in Port Alberni. These closures permanently disrupted the lives of 600 families in my riding.

Within the last few weeks MacMillan Bloedel issued indefinite lay-off notices to over 450 loggers in three coastal logging divisions. Corporate losses were blamed for these lay-offs as well.

Yet a few weeks ago, in spite of its 1991 losses and in spite of lay-off notices given to over 1,000 of its workers, MacMillan Bloedel declared a quarterly dividend of 15 cents per share on its 100 million outstanding common share.

There should be a law in this country that prevents well-heeled corporate boards from plundering a company's assets to pay themselves dividends while putting workers out on the streets and blaming corporate losses for the lay-offs.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Gaby Larrivée (Joliette): Mr. Speaker, since the GATT negotiations began, the Canadian government has always had only one position: to clarify and strengthen article XI.

I would like to assure the farmers in my riding that the government will continue to work hard towards that goal, witness its latest initiative, sending to Brussels a Canadian delegation headed by our ministers and with representatives of the farming community.

Nor could we overlook the work done by the Prime Minister, who is striving to resolve the issue in our favour.

Certain recent statements and accusations made against the government by the president of the UPA, Jacques Proulx, and the leader of the Bloc Quebecois, Lucien Bouchard, were an attempt to distort the situation in the interests of another quite different cause.

I would ask people to refer to the editorial by Alain Dubuc in today's *La Presse*. It shows very clearly what those two are up to. Obviously they are not serving the cause of Quebec farmers.

Again I want to assure the farmers in my riding of Joliette that the federal government will continue to defend their interests, as it has always done in the past.

* * *

[*English*]

GASOLINE ADDITIVES

Mr. Maurice Foster (Algoma): Mr. Speaker, when the Minister of Finance presents his budget to Canadians next Tuesday, I urge him to remove the excise tax on ethanol used in transportation fuel.

We also call on the government to adopt a comprehensive policy to promote the use of ethanol blended gasolines. If all our transportation fuel in Canada had a 10 per cent ethanol blend, we would create new markets for Canadian grain farmers of 8 million tonnes a year, larger than any one of our international markets today.

If all gasoline in Canada had a 10 per cent blend of ethanol we would reduce carbon dioxide emissions from automobiles by 10 per cent. That is why ethanol blended gasoline is often called green gas.

The use of ethanol blended gasoline would conserve our non-renewable resources.

By 1995 we will be importing over 550,000 barrels of crude oil a day from abroad. Ethanol is a winner for farmers, for conservation and the environment, for industrial development and for all of Canada.

We call on the Minister of Finance to remove the excise tax on ethanol blended gasolines next Tuesday.

* * *

[*Translation*]

TAXATION

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, although we must admit the obvious fact that everyone has to help the economic recovery along, some people are unfairly treated by the tax system on the basis of their marital status. Among them, Mr. Speaker, are married people with children, whose situation compared to unmarried people with children is particularly remarkable.

Indeed, under our present tax system a married couple with three children is at a clear disadvantage compared to an unmarried couple in the same situation and with the same number of children. This discrimination, on the basis of marital status alone, costs married individuals up to $3,000.

That is totally unacceptable and I think it is ridiculous that couples are penalized just for being married. The Progressive Conservative caucus and I have made many representations about this to the Minister of Finance.

Hopefully next Tuesday's budget will bring concrete measures to improve this situation, for the greater good of Canadian families.

* * *

[*English*]

INNU

Hon. William Rompkey (Labrador): Mr. Speaker, six children were buried yesterday in the frozen ground of the Innu community of Davis Inlet, a small Indian village on the north coast of Labrador.

They died tragically in a fire while their parents were out drinking. This is not the first alcohol related death in Davis Inlet. But alcohol is simply a symptom of a more profound malaise that has at its roots a sense of powerlessness and lack of control over one's own life.

The Innu live in substandard housing with no insulation, no water and sewers, and at a distance from the caribou on which their way of life depends.

The Innu nation believes a full inquiry is needed to determine the underlying causes of the recurrence of tragedy at Davis Inlet.

At the same time, they have asked the minister of Indian affairs to act immediately to provide an adequate water supply, proper housing and necessary services for the community.

I strongly support these requests on behalf of the Innu nation. I call upon the minister of Indian affairs to act quickly so as to prevent further tragedy such as that experienced this week in Davis Inlet.

* * *

THE CONSTITUTION

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, no one, either here in the House of Commons or elsewhere in Canada if they have been concerning themselves with the future of our great country will deny that we are facing a serious crisis.

The Minister responsible for Constitutional Affairs was asked by the Prime Minister to lead and co-ordinate our efforts to unite Canada.

I believe that Canadians everywhere, including those of us living in Quebec, are growing in our appreciation for his tireless efforts.

In an extensive interview for, but not used by the CBC on *The Journal* last night, the minister reported on the efforts being made.

The part of the interview with the minister that was broadcast raised the "what if" question: What would happen to Canadian citizens in Quebec if Quebec voted in a referendum to become a sovereign state?

I have talked with the minister and I am assured that the Government of Canada will preserve and protect the interests of all Canadians living in Quebec, primarily by bringing Canada together in a new Constitution including Quebec, even if we cannot persuade Quebecers that Canada belongs to all of us and is stronger when it is united and shared.

It is unfortunate that the full interview with the minister was not broadcast by *The Journal*.

* * *

CHALLENGE PROGRAM

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, it is now February 20 and there has still been no announcement of this year's Challenge program for our student summer jobs.

But there have been plenty of other announcements: at least $350 million cut from the Canadian Jobs Strategy, increased tuitions resulting from the government's $11 billion cut in transfers for post-secondary education to the provinces, and continued stonewalling on revisions to the Canada Student Loans program.

• (1410)

Last summer young people were battered by the recession suffering unemployment rates 68 per cent higher than the year before and 65 per cent higher than the rest of the population.

Students have to wonder why has the Challenge program funding not been announced. Is the news so bad that this government hopes to sneak it past us in a budget full of even worse news, in a budget that misses the point, that the competitive economy must really be the opportunity economy?

* * *

MYRIAM BÉDARD

Mr. Doug Fee (Red Deer): Mr. Speaker, it is with pleasure that I draw the attention of this House to another medal winning performance by a Canadian athlete in Albertville.

Our congratulations go to Myriam Bédard of Neufchatel, Quebec, who won a bronze medal in the women's 15 kilometre biathlon event.

This biathlon became a medal event for the first time in this Olympics. It is a sport which requires a combination of skills. Speed, stamina and endurance are needed on the 15 kilometre cross-country ski course and accuracy and skill with a rifle are needed on the target range.

Myriam demonstrated both the brilliant technical skill and the endurance demanded by this incredibly challenging sport.

I know that all Canadians will take pride and joy in her Olympic achievement which serves as an inspiration to all Canadian athletes.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, at least 100,000 jobs in Canada are at stake. Canadian farmers are in serious danger of losing their livelihood, because of the Dunkel report's proposal to eliminate GATT article XI and introduce, instead, a tariffication system that would be subject to annual reductions of 6 per cent.

These proposals would sound the death knell of Canada's agricultural quota system. On behalf of 40,000 farm producers who work under this system, I want to ask the government, and especially the Prime Minister, to protect and reinforce GATT article XI.

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, as I said on February 10 in the House, we must step up our efforts to ensure that our farmers win the battle at GATT. We must not accept a compromise that would threaten the four pillars of agriculture in this country. The Canadian government must maintain our supply management system and defend it to the very end, even after March 2, 1992. Tomorrow, the regional president of the Abitibi-Témiscamingue UPA, Mr. Denis Jutras, will be here with Gilles Bérubé, from Vassan; François Lemieux, from Landrienne; Rosaire Mongrain, from Saint-Félix d'Alquier and many other farmers from Abitibi.

I will be here right along with them, in order to maintain a dialogue and ensure that the Canadian government maintains our supply management system past March 2, until the year 2000.

* * *

[*English*]

IMMIGRATION

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, disgusting, appalling, shameful and sad, these are the words I have heard repeatedly in over 500 calls since yesterday morning objecting to the deportation of a Polish couple and their child.

Those words also describe the minister's reply today saying no to their claim on compassionate and humanitarian grounds.

Instead of turning his mind and heart to the merits of this case, to what is fair and just, the minister spends four pages implying that this family circumvented the process, did not follow the rules, are seeking special exemption and are abusing the system. These statements are cruel and they are contemptible.

If there is any abuse of the system it is in the minister's office and in the minister's department: delays of three years in holding hearings, no reply to a member of Parliament on behalf of her constituents, no reply even today to what are the criteria and how were they judged.

I have written to the minister on an urgent basis today pointing out issues that he did not address in his letter. I pray to God he will stop this deportation hearing this afternoon and will have the courtesy of giving me a reply to those concerns.

* * *

HEART MONTH

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, I take this opportunity to remind members of the House and all Canadians that February is Heart Month.

Cardiovascular diseases are the main cause of disability and death in Canada. Seventy thousand people die from the disease each year.

In collaboration with provincial ministries of health, the Department of National Health and Welfare has established the Canadian Heart Health Initiative consisting of cardiovascular risk factor surveys and demonstration projects carried out in all provinces.

In addition, an international Heart Health Conference will be held in Victoria, British Columbia on May 24 to 28, 1992. The theme of the conference is "Bridging the Gap—Science and Policy in Action". I would like to applaud the efforts of all of those who are collaborating with the Department of National Health and Welfare toward reducing the burden of cardiovascular disease on Canadians. Let us work together to ensure the health of all Canadians. Let us work together for a better Canada.

* * *

AIR CANADA

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am confused.

Some hon. members: Oh, oh.

Mr. Angus: On February 6, Air Canada called for a made-in-Canada solution to Canada's airline woes. It did not want American involvement with its competitor, Canadian Airlines.

It pointed to a public opinion poll which showed that 85 per cent of Canadians wanted a Canadian solution, not an American one. Yet today Air Canada announced that Mr. Hollis L. Harris, ex-chairman of the now bankrupt American Continental Airlines, has been appointed to act as its new president, vice-chairman and chief executive officer. What a slap at Canada's airline executives.

We can only draw one conclusion from today's appointment: Canadian expertise is apparently not good enough and Mr. Harris is also apparently perfect for Air Canada and failure in America means success in Canada. So much for Air Canada's made-in-Canada solution and so much for the laughter in this House.

* * *

SIR WILLIAM OSLER

Mr. John E. Cole (York—Simcoe): Mr. Speaker, 1992 marks the 100th anniversary of the publication of the *Principles and Practise of Medicine* by a great Canadian, Sir William Osler. This medical text book, first published in 1892, remained in print with revisions every three years until the 16th edition in 1947.

Sir William Osler, born in Bondhead, Ontario in 1849, remains the ideal of every physician in the English speaking world and beyond. He taught in Canada, the U.S. and Britain that education is a lifetime occupation and that hard work is essential.

Dr. Osler was one of the original four professors invited to begin the John Hopkins Medical School in Baltimore. He combined intelligence, knowledge and a love for study and teaching that continues to set a standard for all physicians. The Government of Canada issued a stamp in his honour in 1969.

Protecting and preserving Canada's heritage means recognizing the contributions our citizens have made, both within and outside this country. Let us not forget Sir William Osler.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Prime Minister who, I believe, might agree that there are some contradictions in the government's utterances on the subject of foreign overfishing.

The government tells us that the Europeans are arrogant, that they are stubborn, that they have ignored the pleadings of him and his government over the last two years. Yet the government tells us that it intends to do more of the same. I ask him why? More to the point, I ask him when is he going to get involved as Prime Minister and turn the heat up on this file?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member is talking of the fisheries in Atlantic Canada as if the government had been completely doing nothing about it.

The hon. member knows that when we introduced the fisheries adjustment package there were components to that package which addressed many issues, one being conservation. I trust that we all know that the Minister of Fisheries and Oceans is dedicated to trying to find solutions that are long-term for the situation affecting fishermen in Newfoundland and Labrador and we should give him a chance to do his job.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the question, by the way, was about foreign overfishing.

I direct my question to the same minister, if he wants to respond for the absent Minister of Fisheries and Oceans who, I understand, is in Newfoundland on some business. The minister of fisheries said this in the House yesterday, and I want to quote to him what his colleague said:

> We also allow them (the foreigners) to catch fish that we cannot catch and land them at Canadian plants. That is all that is keeping Burgeo going.

Is the government not aware that the Burgeo fish plant has never ever processed a single foreign fish? Why is the minister jumping up here and parading half-truths? When will the government get off half-truths and sometimes no truth at all and get on with the job of saving the jobs of those people at Burgeo and elsewhere?

Hon. Bernard Valcourt (Minister of Employment and Immigration): I would think the hon. member, being from Newfoundland and Labrador himself, would be so concerned with the situation affecting fishermen in that region that he would not use Question Period as a place to play politics. There is not much positive and constructive in talking half truths. The point the minister made yesterday was that for species of fish that Canadians do not wish to catch, foreign nations, supporters of Canada at NAFO, may be allowed quotas in those waters. Simply put, so that he may understand, Canadians have the right of first refusal on that fish.

• (1420)

[*Translation*]

THE ENVIRONMENT

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I would like to ask the Minister of the Environment a question.

The plundering of fish stocks by unscrupulous fishermen from Europe is among the most senseless environmental crimes, like the destruction of the tropical rain forests in Brazil and the depletion of the ozone layer.

I ask the minister what representations he has made to mobilize the international community in the struggle to end the criminal actions of Spain and Portugal.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I must say that I am glad that the hon. member raised the issue of overfishing in the North Atlantic from an environmental point of view. It is perhaps high time that the whole international community raised this issue precisely from that standpoint since a whole ecosystem is involved in this overfishing.

Too often it has been dealt with as a commercial matter. For this reason, the minister of fisheries, the Secretary of State for External Affairs and I met last week on this specific subject, even before the announcements that were made a few days ago. The minister of fisheries, who is from Newfoundland, insisted, as he is wont to do from time to time that we should absolutely raise this issue at the earth summit in Rio.

I must also say that the Prime Minister himself undertook to raise it at the international level. The minister of fisheries will do so, the Government of Canada will do so, because overfishing, is of course an environmental issue and an ecological one. I can assure you that the Minister of the Environment intends to do his part for Newfoundland fishermen, Mr. Speaker.

[*English*]

FISHERIES

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the northern cod stock has been dealt another deathly blow today by this government.

I have just been informed by the Departments of External Affairs and Fisheries that the Canadian Embassy in Paris has been told to notify the French foreign ministry today that the French metropolitan fleet from St. Malo, France is to be given an additional quota from April 1 to June 30, additional cod quotas for northern cod and gulf cod.

I ask the minister of external affairs why this government is giving more northern cod quotas to France. The northern cod quota and the gulf cod quota were supposed to end on March 30 under the agreement of the boundary dispute between Canada and France.

Will the minister of external affairs now stand up and explain why France is being given this extra three months of northern cod?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Again, Mr. Speaker, I know the hon. member is a fair person. He should not make statements that will give the impression in Newfoundland and Labrador, in Atlantic Canada, that Canada will do anything but abide by the conditions of the interim agreement it has signed with France.

He knows that the decision is about to be made by the tribunal that is seized of the issue, which decision we await this spring. If the quota levels have to be reduced in Atlantic Canada, the quotas for France will be reduced in accordance with the interim agreement.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I have a supplementary question. The Department of External Affairs just informed me that it was notified last Friday that the president of the court had received the judgments of the four other judges.

However, the registrar of the court notified this government that because of a request by the Govern-

ment of Canada, his decision has to be translated into English before it can be given. The translation will take until the first week in April.

Does this government not realize that it is just plain crazy to today give France three extra months of northern cod quota and gulf quota because it will take an extra week, into April, to translate the document? That is just plain crazy.

[*Translation*]

France accepts the decision in French only. Why not Canada?

[*English*]

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, some people may find this funny on the other side, but the fishermen in Newfoundland and Labrador do not.

Again, omitted from the comments of the hon. member—I do not take it to be a question—was the 1989 agreement with France that sent the boundary dispute to arbitration.

We signed this. We happen to be a government that signs a document and honours our signature. That decision was to be rendered in French, and it is a matter for the court to deal with.

* * *

INTEREST RATES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Prime Minister.

Today the bank rate has increased again for the fourth week in a row. It is now above the prime rate at 7.56 per cent. This means that it is going to be very difficult for the commercial banks not to raise their consumer interest rates.

I have to say to the Prime Minister that this is another torpedo to consumer confidence in this country. My question is this.

Informetrica has shown that a 2 per cent drop in Canadian interest rates would get us 52,000 extra jobs and over $4 billion in savings on the deficit. Will the government change policy, reduce interest rates and thereby expand jobs here in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my friend perhaps forget to mention that interest rates have come down some seven and a half points since their high in April 1990.

Interest rates are down to lows that have not been seen in almost 20 years in Canada. The inflation rate is in the process of annualizing very substantially at under 3 per cent, which compares, for example, to a high of 12.9 per cent that went on for some time in the early 1980s.

I think my hon. friend would recognize and acknowledge that this means very substantial progress. There has been a slight upward move of 10 basis points today, but there has been no reflection yet in terms of the prime. We will have to see what happens.

In any event, my hon. friend will surely agree that the only way there can be solid job creation is by keeping inflation low, keeping interest rates down and by inviting investment, both national and foreign, to join in Canada for the creation of the kinds of stimulating jobs that Canadians need.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact, if we go back two months ago, the gap between Canada's interest rate for treasury bills and those in the United States was just over 2 percentage points.

If we look at the situation now, the gap is 3.5 percentage points. Canada's interest rates for treasury bills are almost double those of the United States. That cannot make sense with our most close and toughest competitor. It shows up in the export figures that have come out today showing yet another collapse in export figures to the United States. In fact, for the past year exports to the United States have been down 2 per cent.

• (1430)

I want to ask the Prime Minister this: With all of his strong support for the free trade deal in the past, how can he say that the free trade deal is helping us when we are seeing our exports to the United States this past year down by 2 percentage points? Is it not time to raise the question of reducing our dollar so as to get the competitiveness that we need?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend must have asked about a half dozen questions in that very lengthy statement.

An hon. member: Take your time.

Mr. Mulroney: Well, I will take my time.

With regard to his opening comments about a relative decline in exports, he is only half right. There was a relative decline in imports as well from the United States because of the recession. We continue to have a very favourable and impressive balance of some $6 billion or $7 billion in terms of trade, so that part of it is readily disposed of.

With regard to the question of the Canadian dollar, my hon. friend surely must know that that is a determination made by the international marketplace in regard to fundamental criteria like low inflation rates, low unit costs, enhanced productivity. This all finds a reflection in the value of the Canadian dollar. In point of fact, it has come down by some 4.5 or 5 cents over the last two or two and a half months maximum. I think that probably finds favour with my hon. friend as well.

With regard to his final point where he invoked the free trade agreement, I would just point out to him that recently one of Canada's most distinguished economists, Ed Neufeld, the executive vice-president at the Royal Bank, and I think generally highly regarded, was asked the question: "Now they feel if you open up your borders in terms of trade, trading borders into Mexico, all it will mean for Canada is location of plants into Mexico and out of Canada". His response was: "Of course, that was the theory in Europe when they said, well, if you do this French plants will go to Greece or to Portugal. The point is it is not happening. It is not happening because free trade provides new opportunities in all countries that are party to that free trade". Mr. Neufeld concludes that: "In regard to understanding of the impacts and the liberalizing instincts of international trade, the only problem with Canada is that we were about 10 or 15 years behind and we are now catching up".

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact this government has defended the free trade deal on the basis of export increases to the United States. The figures are now out for last year. They show a decrease in those exports to the United States.

I want to ask the Prime Minister: What will his government do to reverse this situation? What will his government do to increase our exports by reducing the value of the dollar so Canadians can be competitive and give us jobs right across this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend's statement is quite wrong. Since the free trade agreement and irrespective of the fact that this country and the United States have fallen into a very difficult recession from which we are now in the process of recovering, the fact of the matter is that for the first time since I believe 1976 there is a net positive inflow of investment capital into Canada to the extent of some $8 billion or $9 billion over that same period.

Trade with the United States, which accounts for some 2 million jobs in Canada and 80 per cent of our exports, has increased since the free trade agreement has come in. More jobs have been created. In point of fact, fewer jobs have been lost in this recession with the free trade agreement than in 1981 and 1982 when there was no free trade agreement with the United States. So the free trade agreement, like the auto pact, will be viewed by Canadians as a most important instrument for a durable economic recovery.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Prime Minister.

Yesterday when my colleague from Gatineau asked him what he was doing to save Canadian farms, the Prime Minister said that he was leaving the House immediately to talk to the President of France, the Chancellor of Germany and the President of the European community. I want to say that we are glad the Prime Minister took this action which we have been urging him to do for years. My question to the Prime Minister is this: Did the Prime Minister get the support of Europe's leaders for our Canadian farmers as he was promising to do yesterday?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had not spoken to any of them in years, but as soon as my hon. friend recommended I speak to them, I rushed right out and placed the first calls in years that I have had with any of them. My hon. friend asks if I placed the calls and before I can respond, I am being interrupted by the Liberals. It must be the enthusiasm of their convention. Is that a leadership convention that is going on?

Some hon. members: Oh, oh.

Mr. Mulroney: No. I was not sure, Mr. Speaker.

Some hon. members: Oh, oh.

Mr. Mulroney: Mr. Speaker, when you are at my position with the troops behind you, if you can keep the troops with you, you are here forever.

Mr. Speaker: I think perhaps we should go to the next question.

Some hon. members: Oh, oh.

Mr. Mulroney: This was why I was unable to accommodate another of the opposition members with regard to another problem yesterday, a member who had an immigration problem and who asked me to see people out here from Ottawa West, because indeed I had scheduled a call coming in at 3 p.m. from Prime Minister Major of the United Kingdom. I then immediately after that spoke with President Delors in regard to the problems of the farmers and the farm delegation arriving in Brussels this morning. This morning I had a lengthy conversation with Chancellor Kohl in regard precisely to the mission which will be arriving in Bonn later on this afternoon or early tomorrow morning.

I made calls to the three leaders and I will be speaking to others regarding the importance of article XI and the importance of supply management to the Canadian economy and to the fabric of Canadian farm life, and how it is vital for them as friends and allies of Canada to understand that we need their support and their assistance in helping Canadian farmers protect this vital instrument. While we did not receive obviously any firm undertakings, I think they are much more acquainted with the needs of Canadian farmers and I hope that eventually Europe will be able to support Canada.

Mr. Bob Speller (Haldimand—Norfolk): We will wait to see that, Mr. Speaker. My supplementary is also for the Prime Minister.

The Prime Minister also refused yesterday to say whether he would be attending the farm rally on Parliament Hill tomorrow with tens of thousands of angry and frustrated farmers. Surely these good Canadians have a right to hear directly from the Prime Minister. I ask the Prime Minister if he will address the farm rally tomorrow to defend his actions before Canadian farmers.

Right Hon. Brian Mulroney (Prime Minister): I think, Mr. Speaker, my hon. friend has this backward. The Canadian farmers who have been protesting have been protesting as well in support of the Canadian position which they helped fashion. The position we are defending internationally is one that we have arrived at in co–operation with the farmers of Canada. They are here to express their support for the Canadian position and that is why we have been giving, of course, such strong support and receiving such strong support in return.

Mr. Peterson: We will find out tomorrow.

Mr. Mulroney: If the Liberals plan to politicize something, as the Bloc Quebecois has been trying to do, all I can do is tell my hon. friend we are here to defend the interests of Canadian farmers. That is what we have been doing and that is what we will continue to do.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Prime Minister. Any GATT agreement that dismantles supply management will wipe out millions of dollars from the balance sheets of Canadian dairy, poultry and egg producers. Does the Prime Minister realize the implications that this could have for the income, the network and the ultimate future of many Canadian farmers?

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

• (1440)

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my supplementary is for the Prime Minister. Atlantic Canadians are hurting, unemployment is high, bankruptcies are soaring, many rural communities are fighting for their very survival. Should supply management be eliminated, the job losses would be staggering. Does the Prime Minister realize that the dismantling of supply management will seriously hurt our rural communities in Atlantic Canada and across this country?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker, I am well acquainted with the points my hon. friend raises.

Mrs. Campbell (South West Nova): Do something.

Mr. Mulroney: My friend from South West Nova says: "Do something".

Mrs. Campbell (South West Nova): Why do you think the farmers will be here tomorrow?

Some hon. members: Oh, oh.

Mr. Mulroney: Mr. Speaker, my hon. friend has just talked about milking cows. I would not touch that one with a 10 foot pole and I urge him not to either. I urge him not to.

My hon. friend has raised a very serious question, asking if we are acquainted with the difficulties. Indeed, we are. All members of the House are acquainted with the importance of this matter for the farmers.

I raised this question beginning at the Tokyo summit in 1986, right up until again in November in Paris at a three and half hour meeting with President Delors of the commission, yesterday in conversations with Prime Minister Major and again with Chancellor Kohl this morning, trying to cause them to understand the article XI implications which, for example, they have in respect of sugar in the common market and the impact this has upon Canadians in an entirely different way—a large country with a small population trying to maintain supply managed industries—because these do not involve international trade distorting subsidies.

The dairy farm in Canada, as it is elsewhere, but particularly in Canada is part of the national fibre of the nation.

I met with farm leaders privately on Tuesday. I met with farm leaders Tuesday afternoon publicly. I met earlier today with farm leaders from Manitoba here in the House of Commons. I have been speaking to world leaders about their problems.

At the moment we have the Minister for International Trade, the Minister of Agriculture and the Minister of State for Agriculture in Brussels en route to Bonn, after a very successful day in Brussels, advancing the cause of Canadian farmers.

These are perhaps not miracles, but I can tell my hon. friend that we are doing what she would want us to do, deploying every effort we humanly can, and to work day and night to protect the interests of Canadian farmers.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I have in my hand a document signed by the Minister for International Trade and sent to government MPs in early January. The text is a veritable song sheet on how to sell the GATT proposals, particularly with respect to tariffication of agricultural goods.

Will the Prime Minister explain how he expects Canadian farmers to believe this government's overtures of support for marketing boards when one of his senior ministers is willing to cave in on the future of supply management? Does he not recognize that acceptance of the GATT Dunkel proposals signs the death warrant for Canadian dairy farmers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have already indicated that the proposals brought together by Arthur Dunkel on December 20 in respect of tariffication are unacceptable to Canada. This is the position we have defended unswervingly from the very beginning. It is the position we defend today.

Farmers know full well that we are in their corner. We are fighting this battle together on behalf of Canada. My hon. friend seems to be the only person who is out of step with this national initiative to protect Canadian interests abroad.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, that is certainly not what this document indicates. This is a song sheet. It was presented to the Prime Minister the other day by representatives of the dairy industry who demanded an explanation. His response, as I understand it, was to suggest that the Minister for International Trade does not speak for Canada. If the Minister for International Trade does not represent Canada's position at GATT then maybe he should resign and he should be replaced by a minister who will speak on behalf of Canadian dairy farmers.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, even for my hon. friend from the NDP this is a new height of speciousness. He makes a false statement. He attributes to me a statement that I never made and then he proceeds to denounce it. Pretty good going, except the premise was false, your statement is false, and the position you have been adopting today is very unhelpful to Canadian farmers.

* * *

AUTOMOTIVE INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the right hon. Prime Minister.

It is not just our fishermen and our farmers who are in trouble. In the three years since free trade Canadian automobile workers have lost 27,213 jobs.

In this government's negotiations with Mexico and the United States, will it give us a guarantee that in the future Canadian auto workers will have their fair share of North American automotive jobs?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, this House would do well to remind itself, especially the member opposite, that when his party was the government in 1981–82 the Canadian share of automobile production for North America was 14 per cent. Today, the Canadian share of automobile production for North America is 24 per cent.

We as a government have put in place a strong and healthy economy which has helped to bring those results, and we will continue to fight for those results.

Mr. Jim Peterson (Willowdale): Mr. Speaker, if this government is going to continue fighting for the same results we are doomed.

The United States, since free trade, has lost only 9 per cent of its automotive jobs but Canada has lost 21 per cent.

In these ongoing negotiations with Mexico and the United States, because Canada is losing automotive jobs today at almost two and a half times the U.S. rate, will this government guarantee in any future agreement both Canadian content and Canadian jobs? Yes or no.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): What this government will do, Mr. Speaker, is what it has done in the past.

What we have today in automobile production on the Canadian side is a labour force 33 per cent higher than it was in 1983. We have pursued policies that have helped that to be put in place. Our labour costs are lower and our interest rates are at record lows. We are coming to terms with our deficit in a way that the Americans cannot. We are putting in place a framework that will make us very competitive.

With that particular record we are very confident that we can continue to increase Canada's proportion of automobile production on this continent.

* * *

IMMIGRATION AND REFUGEE BOARD

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, last Monday this House was assured by the minister responsible for citizenship that refugee board hearings were conducted with fairness and with natural justice.

The statement made by the minister was:

> Certainly I am very comfortable and confident that the independence and impartiality of that board is giving everyone the fairest and most generous hearing possible.

Does the Minister of Employment and Immigration agree with those statements made by his colleague and does he stand by them today?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, if the hon. member is asking me whether the Immigration and Refugee Board, which is responsible for making independent refugee determination decisions, is a perfect body that should never be improved then my answer is no. We do not live in a perfect world.

I know Gordon Fairweather, and members on both sides of this House know this gentleman. He is committed to ensuring a fair determination system. He is taking action.

If the hon. member is talking about a problem that arose last week, I called the chairman, Mr. Fairweather. He is taking action on the matter and we should give him a chance to do his job.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, that was not the question I asked. My supplementary question is for the same minister.

• (1450)

We have in our possession the negative fill-in-the-blanks judgments written for the judges prior to the hearings. Those are the hearings that the minister just referred to. We know the department has hired advisers to assist judges in their decisions and these advisers do not attend the hearings.

Critical information was withheld from the refugees and their lawyers. This is trial by ambush. Evidence is given to the judges in secret outside the hearing process. Judges are told not to listen to refugees' evidence. They are reaching biased decisions.

Will the minister table those written decisions for the Polish, the Chinese and the other refugee cases? Will the minister cancel all hearings today until we can ensure that every refugee is guaranteed his or her rights under the Charter of Rights and Freedoms of Canada?

Hon. Bernard Valcourt (Minister of Employment and Immigration): No, Mr. Speaker, I will not do that because I will not deprive genuine refugees from claiming that status in Canada and I will not prevent Canada from granting protection to persons in need.

I will not follow the advice of the Liberal Party. No, I will not.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, yesterday during Oral Question Period, the Prime Minister said that he was going to call a number of European leaders to discuss the GATT talks. Considering a question that was put previously, I believe it is clear the Prime Minister is very proactive and very positive in his efforts to defend the interests of farmers in Quebec and in Canada. We are lucky Jacques Proulx isn't prime minister because I can guarantee there would be some very unhappy farm producers in Quebec.

I wonder whether the Prime Minister could tell us whether the tone of the discussions and what transpired in his conversations with the various European leaders could be considered positive and encouraging, and if he intends to pursue and initiate further action along these lines.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to thank the hon. member for his question and also for his sustained interest in an issue that is so important to Quebec farmers.

Yesterday, at the end of the day, I had conversations with Prime Minister Major of the United Kingdom, President Jacques Delors of the European commission, and this morning with Chancellor Helmut Kohl of Germany.

The Canadian mission, which has just finished a good day's work in Brussels, among other things, was able to meet Commissioner McSharry, the European commission's vice-president, Mr. Andriessen, and Mr. Delors' executive assistant, Pascal Lamy, in order to further the interests of Canadian and Quebec farm producers.

Just before Question Period, the Minister for International Trade called me to say it had been a constructive day's work for the Canadian mission in Europe. Telephone calls had been received and signals exchanged. The minister remains hopeful that eventually, with the support of all members of this House, we will have an opportunity to make an effective and successful case for Canadian demands.

* * *

[*English*]

UNITED NATIONS

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Prime Minister.

Yesterday and today the Government of Israel has been in blatant violation of UN lines in Lebanon. Two UN soldiers were killed or at least injured. There has been a killing of innocent civilians in refugee camps in Lebanon. As well there has been the assassination of a family of a Palestinian leader, clearly an excessive response to the killing of the three Israeli soldiers on Friday.

Will the Prime Minister personally intervene and make it absolutely clear to the Government of Israel that it can no longer blatantly disregard the authority of the UN in the conduct of its affairs if it expects any further support from Canada and if it expects lasting and just peace in the region?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, there is no question the events that have gone on in the region in the last week have been personally tragic for the people involved. That is our first concern.

Our second concern—as we have expressed it publicly and we will be expressing it through *démarches* on both sides—is our concern for destabilization and what could easily destroy what is a very fragile peace negotiation which is going on now and which will continue.

We condemn violence in the region on all sides and we will continue to do so.

Mr. John Brewin (Victoria): Mr. Speaker, surely the situation has got to the point where the government's response has to go beyond mere condemnation of the situation. It has just gone on and on. The current Government of Israel has simply turned its nose up at the authority of the United Nations.

Will the government, which has today started a debate on second reading of a bill to give it the capacity to bring in economic sanctions in the case of a breach of international law, not begin at least considering, in conjunction with other governments requiring the Government of Israel to comply with international law?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the difficulty with the violence in the region of the Middle East is that it is very difficult to lay it at the door of one particular party.

We deplore the violence on all sides. There has been violence on every side. We have made strong statements about the violence both through the United Nations and its agencies and publicly in Canada. We have frequently made *démarches* to the governments involved, if they are governments, and to the people involved in the region.

We will continue to do that, but we do not intend to do anything that will add further instability to a region that desperately needs stability.

* * *

[*Translation*]

TRADE

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I would have liked to put my question to the Minister for International Trade, but since he is away on government business, I will direct it to the Prime Minister.

The Lactel group, Canada's biggest milk exporter located in Sainte-Claire de Dorchester, has been exporting 50 per cent of its Grand Pré milk to Puerto Rico for a number of years. Unfortunately, there has been a dispute in connection with these exports for the past 14 months, and a few weeks from now the company will not be able to export to the United States. Obviously this goes against the free trade agreement.

My question for the Prime Minister is this: Could the responsible minister immediately start proceedings before an arbitration tribunal, as provided by the FTA mechanism in chapter eighteen?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I am familiar with the problem described by the hon. member. I believe that the people at Lactel are currently negotiating with the government in Puerto Rico.

Of course, if these people need help—in fact they got in touch with me because, for the hon. member's information, the company happens to be in the same building as my riding office in Boucherville—so they got in touch with me, and I said that if they needed assistance, I was sure the Minister for International Trade would intervene.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I know the minister has been in touch with Lactel, but they are desperate, and they say that you could have gone before the arbitration tribunal a year or at least several months ago.

My question is this: Why didn't the minister submit this question to the arbitration tribunal? That is all the company wants. Otherwise, they will have to close their business.

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I am told that the company is still negotiating. As I said earlier, they got in touch with my office, and I told them that if they wanted a decision or some kind of intervention by the Minister for International Trade, we would of course do for the company what we would in fact do for all Canadians.

* * *

[*English*]

FISHERIES

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Secretary of State for External Affairs.

The Government of Canada gave the French foreign fleet in the Sydney Bight 1,300 metric tons of cod in 1990. It increased it in 1991 to 1,600 metric tons, and now the Canadian embassy in Paris has said that for 1992, the French foreign fleet will get 100 per cent of last year's quota.

• (1500)

Can the Secretary of State for External Affairs explain to Canadians why such preferential treatment is given to foreign nations such as France when in fact our own fishermen are driven from the sea?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the hon. member well knows that these are established under an international treaty. There is the rule of law that deals with international treaties, and Canada is abiding by that. There is an arbitration agreement of which the results should be known in April. In the meantime, there is an international rule of law having to do with treaties with which we must abide.

This treaty was signed by the former government. We are finding some of these issues very frustrating to deal with because we understand the difficulties for our fishermen.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I want to inform the minister that I am very well aware of the rule of law. I am also well aware of international abuse of Canadian fisheries.

I want to ask the minister of external affairs, who has the duty both moral and legal to come clean with Canadians, to tell them why foreign nations such as France, Spain, Portugal and others get preferential treatment to fish in our waters while our fishermen are unemployed. Tell us the fairness.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, first of all what the hon. member is saying is absolutely false. The Spanish and the Portuguese who are fishing on the nose and the tail are fishing outside our waters. We have made the strongest possible representations within the European Community and to those countries directly.

I have done it, the minister of fisheries has done it, the Minister for International Trade is doing it, even now while he is in Europe this week. The Prime Minister has done it. We will continue to do that.

If the hon. member wants a straightforward honest explanation, I gave it to him in my first answer. He clearly does not want that.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I have a question for the Prime Minister. Given the importance of the GATT negotiations, can the Prime Minister report to this House on the progress of the delegation of ministers and industry leaders who are now in Europe?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for her question because it is a very important national matter. The delegation that is over there reported to me prior to Question Period through the Minister for International Trade. He says that they had meetings today with Commissioner McSharry, who is in charge of agriculture for the EC, with the vice-president of the EC, Frans Andriessen, and with a number of farming groups along with Pascal Lamy, who is Mr. Delors' representative at the commission.

Apparently the farming representatives and the politicians who are there are pleased with the day they have had. Nothing has been resolved yet, but they have put forward the Canadian case on behalf of Canadian agriculture with a great deal of effectiveness.

They will be moving to Bonn and then on to Geneva. Hopefully these will be building blocks that will provide a durable solution for these important problems confronting Canadian agriculture, wherein the Canadian government joins with agriculture in looking for solutions that will benefit Canadian farmers.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of His Excellency Mircea Snegur, President of the Republic of Moldova.

Some hon. members: Hear, hear.

Mr. Speaker: And also in the gallery, Mr. Rein Loik, Minister of Education from Estonia.

Some hon. members: Hear, hear.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, before the House closes, I am wondering if the government House leader could indicate the business of the House for Friday, Monday and Tuesday. The budget will be given on Tuesday. Could he give us a specific time and state whether or not the remaining days for next week will be allotted toward the budget debate or whether he will be calling other pieces of legislation.

Business of the House

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to a special order passed on Wednesday, the House will adjourn after these proceedings, complete second reading of Bill C-26 tomorrow morning and adjourn after Routine Proceedings.

On Monday it is our intention to call Bill C-55 for second reading and, if completed, the House will continue second reading on Bill C-54, the Farm Products Marketing Agencies.

Discussions among parties are continuing for the rest of the week. We do intend to call the budget in all likelihood on Tuesday, probably at 4.30 in the afternoon. It would be my intention to call at this time two days of budget debate on Wednesday and Thursday and probably the borrowing authority bill on Friday of next week, but I would like to confirm all of that at the start of next week.

Mr. Speaker: Pursuant to order made Wednesday, February 19, 1992, this House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 3.05 p.m.

HOUSE OF COMMONS

Friday, February 21, 1992

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

PUBLIC SERVICE REFORM ACT

MEASURE TO ENACT

The House resumed from Thursday, February 13, consideration of the motion of Mr. Loiselle that Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be read the second time and referred to Legislative Committee H; and the amendment of Mr. Gauthier (p. 6964).

Madam Deputy Speaker: The hon. member for Saint-Laurent—Cartierville has five minutes left.

[*English*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, this Conservative government simply cannot manage the affairs of this country.

Because of this ineptitude, service to all Canadians is suffering. Its inability to deal fairly with public servants has had a devastating effect on public servant morale. This government has asked the Public Service to do more with less. The reality is that it is doing less with less resources. This must not continue.

As my party's spokesperson for multiculturalism and citizenship, I am particularly, concerned with employment equity. This bill contains a provision on employment equity. Unfortunately it is not enough. It is so vague and discretionary that it will not improve the participation of the four targets groups in the federal Public Service which is still below acceptable level in spite of the established employment equity policy.

If the Public Service is to be truly reflective of the Canadian population, we must increase the numbers of visible minorities. We must increase the number of women and aboriginal people. We must bring in more people with disabilities.

The Liberal Party believes that all persons are entitled to equal opportunities for entry into the Public Service and will vigorously oppose any attempt to inhibit equality.

Employees must be given assurance that their experience and dedication are valued. Every effort will be made to retrain where necessary to enable them to continue their careers.

The government has failed to achieve in this so-called reform a means of meeting the challenges of the future. We must have public consultations where the interests of the public, of the employees and of the government can be melded into a policy that truly meets the needs of all Canadians.

• (1010)

[*Translation*]

Using its majority to rush a bill through Parliament is not what Canadians expect of their government. This House should take the time to weigh the consequences of its actions. We are being asked to make a decision that will affect the professional lives of thousands of people. We must have a clear understanding of everything that is at stake here. This cannot be done in a hurry, and that is why we have a duty to postpone this bill, at least for the time being, if we really want to act responsibly in the best interests of those who elected us.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, I have already spoken on second reading of this bill. However, on this amendment there are certainly some

comments I want to make in response to the statement of the President of the Treasury Board.

He spoke of the process of Public Service 2000, and one of the things he said was that seldom in our history has a program of organizational change been undertaken of the scope and magnitude of Public Service 2000. I agree with him. The scope and magnitude of the impact is on the Public Service, most important on service to the public, on the very effectiveness of this Parliament in making its decisions and having them carried out. They are at stake in this legislation.

I find it therefore reprehensible that the minister, after two years of PS 2000 literally behind closed doors by his own admission, a management driven exercise without the direct involvement of the employees whose lives will be affected, without the direct involvement of the public and without the direct involvement of parliamentarians and after the expenditure of millions of dollars on this exercise, would insist that it be reported back to the House by the end of March. This is the kind of closure on committee that I have seen before during my time in this House. It is the kind of closure that I do not think is conducive to developing and passing good legislation and, more important in this particular case, to a successful revitalization of the Public Service to meet the challenges of the future.

I see also the Minister of Labour in the House. I want to quote from an excellent speech he gave recently called "Working Families Working Solutions" to a conference on partnerships for mutual advantage. He made some excellent points in that speech, which make me wish at this time he were the President of Treasury Board or that the President of Treasury Board shared his views.

I am going to quote extensively, because his points are exactly at the root of why the Standing Committee on Public Accounts said this legislation should not come forward until Parliament had an opportunity to review all of PS 2000 and look at what is appropriate legislation.

What he said is that those of us who care about the work place need to be innovative and caring. "The history of the last 15 to 20 years shows that countries best able to contend with economic change are those that have a tradition and commitment to strong labour management partnerships".

I underline "partnerships" because the bill before us is a contradiction of everything that has to do with labour-management partnerships. It is a refutation of that very principle, and it is a denial of the promise that the previous President of Treasury Board made that no legislation would come forward except what was mutually agreed to. What we have here is a bill that is 90 per cent, at least, not acceptable to those who represent the employees of the Government of Canada.

I am going to quote further from the minister. He said: "In Canada's most important industries, unions and companies are co-operating on issues of mutual concern. I believe the labour minister is entirely in tune with what is necessary to improve labour management relationships in this country, to ensure that we have a work force that is adaptable to change and prepared for the future". The minister knows—and I wish the President of Treasury Board knew it—there are companies in this world where union representatives sit on the board of directors of corporations so that they share mutually in the problems and prospects for the company.

The minister spoke at the same time about the Labour-Management Partnership Program. This is a $1.4 million program that has been put in place to assist unions and employees to work together on initiatives. He has talked about this program as promoting productive, fair work places.

"The commitment of Canadians", and I am still quoting from the Minister of Labour, "to joint action will be a major determinant of the extent to which we are successful in the world economy". I do hope the President of the Treasury Board is listening. "We Canadians", again quoting the Minister of Labour, "are only beginning to see what joint action on the part of labour and management can yield for us. By coming together we can achieve enormously for our workers and for Canadian society as a whole".

That should be the purpose, that should have been the process of PS 2000. In indicating an unreasonably tight time line, less than three weeks, for a legislative committee to report back to this House, the minister asked for non-partisan and constructive co-operation. The minister knows that from the time he took over his portfolio he had the offer of that co-operation on this dossier from me. I think he knows that the offer was genuine. It

was based on the public accounts committee's recommendations that it was absolutely essential to have a special parliamentary committee that could hear all parties, that could consider the public interest, that could consider the views of the employees as well as those of management. Unfortunately the actions of the minister since then and of the government have made that impossible. We have a huge bill here.

The last time the Public Service Employment Act and the Public Service Staff Relations Act were brought into this House, it was the result of total process of co-operation, consultation that involved parliamentarians, that involved the public, that involved employees and that involved managers. But they are only one part of the solution to the problems that confront the Public Service today.

There were 118 amendments brought forward in spite of all that long period of consultation because that bill was then and is now dealing with some fundamental issues of vital importance to this country. I tell the minister that offer of co-operation and non-partisanship is still open to him. He only has to do, as has been recommended by the public accounts committee, as has been proposed by this party in this House, set up that committee of parliamentarians. Let us have a thorough review of this bill, bring back to this House legislation that is acceptable to all parties and that can be passed overnight.

This party and this member will not co-operate on a blanket permission to contract out without any process of accountability and without any policy on contracting out. This party and this member will not co-operate on a bill that leaves everything to be done by regulation following the passage of the bill. This party will not co-operate on the undermining of the merit principle which has been at the root of the Public Service of Canada for over 70 years. This party will not co-operate on departing from equity and fairness in employment and promotion in the Public Service nor on accountability to Parliament and accountability to the public for how its human and financial resources are being used.

We will not co-operate on the right of employees to a fair hearing when they feel their rights have been abused and their opportunities in the Public Service jeopardized. We will not co-operate, above all, on the diminution of service to the public because that is what our Public Service is all about.

• (1020)

We will not co-operate on the politicization of the Public Service and that is what this bill is all about.

This is an important bill. It deserves the attention of parliamentarians. It deserves the attention of a legislative committee that will have ample opportunity to hear views, to consider and to do what Canadians do so well to accommodate, to listen to one another, to balance the various interests and to come up with a bill that will serve Canadians and Parliament well for the next decade and into the next century.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, I spoke on this bill a few days ago. I gave notice at that time that I wanted to speak on the amendment by my colleague from Ottawa—Vanier.

What the amendment is asking for is that the bill be withdrawn and the subject matter be referred to the Standing Committee on Public Accounts.

I know it is not always protocol to say who is here and who is not, but I want to make mention of how very pleased I am that the President of the Treasury Board and the Minister of Labour are both here to listen to and to take part in these debates.

I sat on the committee which studied the Finkelman report in 1976. At that time, we proceeded with great deliberation with the recommendations that were brought forward at the time.

My colleague from Ottawa—Vanier and I spent many hours listening to the witnesses who appeared before the committee. We did bring out very strong recommendations. In all modesty, I believe they were of service not only to our public servants but also to all the people of Canada.

I want to put on record as the critic for labour that the Liberal Party views our public servants as very hard-working and dedicated people.

We malign ourselves as a nation when we say that the people who are administering the programs which we legislate here in Parliament are not doing their work, or when we give any indication that their work is not acceptable. In doing a disservice to them, we do a disservice to ourselves.

I spoke the last time of the Liberal Party view of the Public Service. Today I want to address the merit principle *per se*.

Our party supports the merit principle. We will oppose the government's efforts to reintroduce what we believe is patronage and favouritism in the Public Service.

I will just set this all in perspective once again. In 1919, the Civil Service Commission, now the Public Service Commission, was established to safeguard the principle that the best qualified person would be selected for appointment, promotion and transfer in the Public Service.

This ideal has not changed. This objective has not changed. We in the Liberal Party intend to pursue this as our goal. This principle was established to stop the rampant political and administrative patronage and to ensure Canadians had a non-partisan Public Service where employment and opportunities were open to all based on competence, not favouritism.

It was not unknown even as recently as 20 or 30 years ago, not necessarily in our Public Service but in some public services in the provinces, that when a government changed, the bureaucrats were changed almost wholesale right across the province. That was not fair.

That was rampant, political patronage and we must not have that happen again here with our public servants.

Incidentally, this principle contributed to the protection of employee rights to fair treatment based on ability by establishing appeal procedures. We set up a system whereby if the employee believed that he was not being treated fairly then he did have an appeal procedure which would guarantee fairness.

As well, it ensures that government services are delivered to all Canadians without political favouritism. Sadly, I have heard it said that some people are more equal than others when it comes to dealing with public servants.

I do not believe this. I do not hold this to be true, but if we are going to continue with a principle that we established, then I suggest to you we not only have to have the procedures set in place but we have to work in a spirit of mutual trust.

This legislation, in my opinion, seriously undermines the merit principle. It leaves all but original hiring and limited promotions to the discretion of managers, while opening the door to patronage and favouritism and punitive measures based on a manager's personal likes or dislikes, or to the whims of the government of the day.

I am not only talking about this government that is in place now, but also about future governments.

What we are trying to do is to enact legislation which will be fair not only for today but also for all the tomorrows to come so that our civil servants can be treated fairly.

The ability of the Public Service Commission to be the watch-dog of the public interest is very severely curtailed if it feels it is in any way being hampered.

I want to turn now to employment equity as opposed to just equity in general.

Bill C-26 contains a provision on employment equity that is very vague. In fact, it is so vague and discretionary as to be almost meaningless.

Surely the ministers and the members here will admit that this particular provision requires no accountability. Without accountability, I maintain that the bill is flawed.

We support a strong provision in the legislation committing the Public Service to employment equity and to accountability for treating all applicants and employees equally on merit.

We believe that all persons are entitled to equal opportunities to enter and progress in the Public Service. I and my colleagues will oppose measures that inhibit equality.

The lack of equity in opportunities for employment and advancement in the Public Service is well documented.

There was a report called *Beneath the Veneer*. This was a report of the Task Force on Barriers to the Employment and Promotion of Women in the Public Service. It is the most recent documentation that attitudes are the main barrier to equality of opportunity.

These attitudes, often unconscious, keep women, visible minorities, persons with disabilities, and aboriginal Canadians lumped in the lower echelons of the Public Service.

Surely we have progressed enough in this day and age that we know that all Canadians are equal under the Constitution. This is our birthright. This belongs to all of us, simply by the fact that we are Canadian citizens.

We must not allow legislation to go through which could in any way be interpreted as somehow disfavouring our visible minorities or weakening our positive attitudes towards women, aboriginal people, and people with either physical or mental disabilities.

The merit principle is not operating equally for these target groups. If selection for promotion were based only on ability I maintain that these groups would be represented at all levels, at least proportionally to the representation in the Public Service.

I maintain from all of the data I have been able to study that they are not. I have some examples to fortify my point.

The first example concerns contracting out, privatization, and this new word that we have, downsizing. That is another word for firing people or letting them go. The use of short-term employees and personnel service contracts have all made it more difficult to correct the inequities of the past. New managerial discretion means the same attitudes identified in the report "Beneath the Veneer" will be unchanged in any way. Target groups fear, and I believe rightly so, that favouritism based on outdated images of who is competent and who is not competent will prevail without looking into the background of these people to see what their true abilities are.

• (1030)

Another aside about this type of treatment is, I believe, that potential for harassment, mental harassment and, yes, even sexual harassment is increased when managers have increased control over one's employment opportunities. If you do not please a manager, in effect what you are doing is excluding your chances to advance in the Public Service.

I conclude with this statement. I agree with my colleague, the member for Ottawa—Vanier, who I believe will be chairing this committee. I hope he is chairing the committee so that we can have an impartial person looking into the different processes and the legislation which is proposed.

We are committed to stability and fair treatment in the Public Service of all of the employees. I speak for my party, as the labour critic, when I say we will oppose measures that reduce the commitment to train and continue the employment of those affected by these changing requirements.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to rise and participate in this debate today on the motion to amend the motion for second reading of this bill, an amendment proposed by my very distinguished colleague from Ottawa-Vanier.

As you know, Madam Speaker, he has risen in this House and spoken in this debate a few times now. I recall that on the first day of debate on second reading, he indicated his desire to speak for longer than the allotted time, which I think was 20 minutes, and of course the House denied him the unanimous consent to continue, notwithstanding his great knowledge of matters relating to the Public Service, for reasons that I simply cannot fathom.

Now we have the government squawking that this debate is going on too long and yet it denied the hon. member for Ottawa—Vanier, who knows more about the Public Service than the minister, the opportunity to participate and give the House the benefit of his views, which I may say are much more in accord with the wishes of the public in Canada and the Public Service in particular than are the views of the government and the minister as expressed in this silly bill.

The sad thing is this bill is designed to take away the rights of public servants. That is why we have been objecting to this. The government is unilaterally changing the work conditions for public servants. I must say that from all the indications I have, and I am not an expert in the matter of procedure in dealing with bills of this kind, this method is quite unprecedented.

The minister says he can see that. Of course, I would defer to his authority if he would defer to the hon. member for Ottawa—Vanier and agree with his approach to things. The member for Ottawa—Vanier has been here longer than both the minister and I and knows

a great deal more about this than either of us do, I suggest to the minister.

I was hoping that the minister would follow past practice, which has been to send the matters for study to a committee in advance and then have a bill come to the House on matters relating to the Public Service. It is quite unprecedented for the government to act unilaterally in a bulldozing way to force its will on the Public Service of Canada as it is doing by Bill C-26.

As I indicated in my earlier speech, which again was cut off because of this new 10-minute rule, I said that this bill was an unfair attack for various reasons. One of the reasons that I did not get to expand on properly and that I would like to explain is that of a rule that allows for the government to proceed with contracting out. We all know that there is no restriction on the government's ability to contract out. However, public servants objected to the fact that they were laid off after contracting out "because of lack of work or because of the discontinuance of a function". The act currently allows for public servants to be laid off because of lack of work or because of the discontinuance of a function.

The Public Service Staff Relations Board in March 1990 ruled that the government could not contract out services and then lay off public servants because of a lack of work. Obviously there was no lack of work. It simply ended the opportunity to do the work by public servants by the contracting out. The government thought this was a dreadful decision from the Public Service Staff Relations Board and appealed it to the Federal Court.

Mr. Justice Mahoney, a distinguished and capable judge of great experience on the bench, heard the appeal and gave a decision for the majority of the court. He said: "It cannot, in my view, be said that the services of an employee whose job has been contracted out are not required because of lack of work or the discontinuance of a function. That employee is not required only because the job has been contracted out. The work remains to be done and the function continues".

It makes perfect sense. That is what the learned judge said in his decision. The government did not like that. The government was wrong. It did not like being told it was wrong by the Public Service Staff Relations Board and by the Federal Court and so it brought in this bill. Clause 19 of the bill gives the government the power to lay off following contracting out. In other words, it can say to public servants: "We think the job you are doing costs us too much. We would rather give it to some of our fat cat Tory friends. We will make a contract with the fat cat Tories and then lay you off and let somebody else make the money".

The minister wags his head. He knows that what I am saying is correct. He is laughing at the plight of the Public Service that he is mistreating by this bill.

The second aspect of the bill that I want to talk about is clause 22 which gives deputy heads of departments the right to deploy staff, that is to shift members of staff around within the deputy head's jurisdiction without any competition.

Deployment, as used in this sense, is simply another word for transfer. Under the present act, transfers are considered staffing actions and are subject to the merit principle and therefore may be appealed. In other words, the best person for the job has to be found within the limits of the class that is allowed to apply and then is transferred to the position, but that apparently is no longer the case. Now we are simply taking away the right of public servants to compete for these transfers. The decision will rest only with the deputy head.

The administrative practice of many, many years, I cannot tell you how far back this goes and perhaps the minister could enlighten us in a speech that he might make on this, but I am sure this practice has existed in the Public Service for easily 30 to 40 years. Now it is being changed so that there is no further right of appeal if a public servant is not transferred to a position that he or she wishes to seek.

The Public Service Commission implemented an exclusion approval order removing the right of appeal on any movement of an individual from one position to another identical classification group and level. This order was challenged and last month the Federal Court of Canada struck it down because the order "departs substantially from the merit principle". In other words, the merit principle, which has been the highlight and the test for transfer and promotion in the Public Service, is being abandoned by the government in this bill. Why? Political convenience, what else?

Why would the government seek to take away from Canadians the right to expect that the best person will be appointed for the job? Because it wants to put its own friends in the job, that is why. This is an abuse of the Canadian Public Service which has been the envy of many other countries because of its independence and its impartiality in terms of political matters. The government by this bill is seeking, in my submission, to politicize Canada's Public Service and it is entirely, entirely inappropriate.

• (1040)

The next change that I think is of great significance is the change in the Financial Administration Act. Clause 81 of the bill gives jurisdiction over termination and demotion of employees. It transfers this out of the Public Service Act and out of the jurisdiction of the Public Service Commission and gives it to the Treasury Board. That has to be one of the strangest things going. Why would you have an independent body which was an adjudicative body dealing with termination and demotion cases suddenly lose its jurisdiction and have the employer, through the Treasury Board, exercise that jurisdiction?

In other words, if your employer fires you, you appeal to the Treasury Board, which is your employer's board for redress. Why is the independent body being deprived of its ability to make those adjudications? Did the government not like the decisions of the Public Service Commission? Was that the problem? One would suspect so. It appoints the members to it. What happened? Did it not get the right people?

I cannot understand this. It is inconceivable that any other employer would take unto itself the right to hear the appeals, particularly where the employer is a political body, such as the Government of Canada and should be accountable through a much more independent mechanism in its dealings with its public servants. That is what we have had in this country for many, many years, I think since about World War I. I may be wrong, but the Public Service Commission is not a new institution in Canada and now the government is undermining its authority in this very important respect.

I see that my time has expired. For all these reasons I urge the House to agree to the amendment proposed by the hon. member for Ottawa—Vanier and scupper this bill at second reading.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I am pleased to address this particular piece of legislation once again. I have indicated previously and I want to stress again that I consider this an attack on the Public Service.

One might ask why this would be occurring at this particular time. Well, Madam Speaker, you and I both know that the civil service is a handy target. Some people talk about their large salaries, their generous benefits and what have you.

One of the things I find surprising is that people put the blame on the civil servants as opposed to those who have granted those benefits. We all know they have unions that represent them and sit down with government to bargain. It is governments that say yes or no. Therefore, why do the civil servants become the targets?

Obviously in a climate such as exists right now where there is a lot of apprehension, anxiety and concern about one's job today, tomorrow and in the future, they become easy, handy targets and I am really concerned about this. I am concerned about the myths that we allowed to speak about the lack of excellence. It is an excellent civil service, yet we propagate these kinds of myths. I find this unfortunate because I find it extremely divisive.

Some countries undertake military or bold action in order to make themselves more popular in the polls when they are suffering electorally. In this particular case, the government has targeted a number of groups. One of them, I maintain, is the civil service. I really find this very, very unfortunate.

Let us look at the purpose of this particular bill. On paper it looks very good. What we want to do is attempt to deal with a changing situation. Obviously we cannot manage and govern as we did a number of years ago. Obviously we need to change the rules and regulations. Obviously we need to find that right balance between permitting the managers to undertake a number of decisions within their discretion. At the same time we need to protect employees and the rights they have acquired overtime.

[*Translation*]

We need that balance between managers and employees who have acquired certain rights through years of collective bargaining, and I think the two can be combined without denying employees their rights. It would be unfortunate if we were to do that.

[*English*]

As you know, this particular piece of legislation will permit people to hire, fire and transfer employees without the normal protections they now have. The merit principle is in jeopardy. There will be contracting out. I find it interesting that the government claims that contracting out saves money. When I asked on the Order Paper for a record of everything that had been contracted out, I was told that under a certain figure, the figures are not available. Why? What in the world are we trying to hide?

If you are really saving money, you ought to be proud, government, to show it in black and white. Of course the suspicion is that there is no money being saved. These are simply ways in order to permit those who are friendly to government to profit from government. Until I receive a clear, precise answer to the question I have raised, I shall continue to doubt the government's intentions in this particular matter.

I believe I could find a great deal of support for my feeling that there has been inadequate consultation with a number of people. The government will cite the meetings, but ask the employees whether or not they feel comfortable. Ask the employees whether or not there needs to be additional discussions. There does need to be additional discussions. This is major legislation that will affect services throughout Canada.

[*Translation*]

Another example of a government that is undermining the very foundations of this country is that it has launched attacks on VIA Rail, Air Canada, Canada Post—all institutions that bound this country together, that made it strong and far more united than it is today. And it continues to attack one institution after another in order to destroy this country. The government may not be doing this on purpose, but the result is the same.

[*English*]

The government priorities are privatization, contracting out, the use of short-term employees. I have yet to see proof that this is going to be helpful to us, that this is going to be helpful to Canadians in general and that this is going to improve the climate, the morale in the Public Service, that this will get better performance out of men and women who have committed a major part of their lives to Canada and to serving Canadians.

[*Translation*]

I ask the government to reconsider this bill and to give serious consideration to the amendments that have been proposed, so that when they proceed with the bill, they are absolutely sure they are doing something that will be good for all Canadians across this country.

I sincerely hope they will reflect on the recommendations they have received and on the advice they have just been given, because I believe that if this government decides to take our advice, Canadians across this country will benefit. However, we Canadians throughout the country will pay for it if they go ahead without the necessary consultation, without protecting the merit principle, without ensuring that this bill does exactly what it should do, namely to strike a fair balance between the rights of supervisors and managers and those of the employees who serve Canadians.

That concludes what I wanted to say this morning.

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, for the few minutes remaining in the debate, I shall speak in support of the amendment of my colleague from Ottawa—Vanier. We are privileged to have the President of the Treasury Board here with us this morning. He knows the public service well because he was part of it before he entered politics. He distinguished himself in the public service as a civil servant and as a diplomat. So I am sure that he understands this whole issue very well and is sensitive to it.

I would like to deal with this question not from a technical angle but from a practical one. Madam Speaker, you, like me and all our colleagues, probably meet public servants often. One of the most common complaints is that public servants feel that they have to know someone in the system in order to get ahead. This bill confirms that attitude.

• (1050)

That is why I support the amendment moved by my colleague from Ottawa—Vanier. What he is really asking us to do is to set this bill aside and refer the whole matter to the Public Accounts Committee. This committee does outstanding work and I think that it is one of the few committees that is non-partisan and works in a non-partisan way. We should look at the bill objectively and come back with something that could really put some order in the public service. That is very important for our country, so that Canadians can have the services to which they are entitled and which they need. At the same time those who work in that system can feel that they can advance on the basis of merit if they are competent.

I think that the amendment of my colleague from Ottawa—Vanier is reasonable. I would hope that the government and the President of the Treasury Board, who is here in the House, would decide to act along the lines of the kind of parliamentary reform we would like to see and let members consider this matter in committee.

If people feel cynical about Parliament today, they are right. The government is forcing a bill on us. We have no choice in the matter. The only choice we have is to vote for or against the bill. I think it would be a step toward parliamentary reform if the public accounts committee, which has members from all sides of the House, from all recognized political parties, could consider this bill and come back with legislation on Public Service reform that we as Canadians, as the government of this country and as Parliament, could accept as being fair and equitable to all members of our Public Service.

[*English*]

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I know that the House order we are operating under allows approximately five minutes more in the debate. I thought that I should take advantage of this opportunity to participate for a few moments and to put a few thoughts on the record.

This bill was, as you know, Madam Speaker, tabled first back in June 1991 so it has been before the House for quite some time now, before the House in the sense that it has been available to members and to the people in the Public Service. The public has had an opportunity to look at the bill and to express its concerns about it and to make sure that the issue had a profile within the country. Of course, that is something that is extremely crucial in a democracy such as we have.

The bill before us is important. It is a bill that has been discussed in terms of its preparation for a long time. It has received a great deal of consultation and a great deal of input from a number of different people. As a result, I think the bill before us will receive certainly the majority support of this House, and considerable support across the country.

What I have found particularly intriguing is that as I have watched the process unfold, I have watched my good friend from Vanier, who is a very capable and competent individual and also a very skilled parliamentarian, on two separate occasions move amendments to the bill that, although they are couched in very nice language, have essentially had exactly the same impact. That impact has been to derail the bill, to destroy the bill, to prevent the bill from making any progress here in the House of Commons. Even though we as members have had an opportunity to look at the legislation, we will have a further opportunity to debate it and a further—

Mr. Milliken: Madam Speaker, the hon. parliamentary secretary is getting away with something I know he would not want to get away with. I hope he will accept this correction. He says this bill has been before the House since June of last year. That is correct. It was introduced and given first reading on June 18, but debate—they are talking about debate—started on January 10.

Madam Deputy Speaker: The hon. member for Kingston and the Islands knows the rules of this place very well and he knows he was entering into debate.

Mr. Milliken: He is misleading Canadians again.

Mr. Cooper: Madam Speaker, I appreciate your kind intervention and your wise ruling that what my hon. friend was doing was entering into debate.

I should remind him that I sat here very quietly and listened to him make his remarks, which I thought were totally outrageous. I cannot believe what I heard, and I am looking forward to reading it in *Hansard*. I cannot believe that my hon. friend would have made such outrageous statements, such unbelievable assertions and

yet have his own name attached to them on the public record of this House of Commons.

I have to admit I was startled but, in keeping with the decorum of this fine institution, I sat here quietly, listened and waited until I had an opportunity to take a few moments to participate in this debate.

Madam Deputy Speaker: I have a feeling that today is Friday.

Mr. Gauthier: Madam Speaker, on a point of order, it could be Friday, February 21, but nevertheless, the member is trying to insinuate—I cannot use the word mislead—to Canadians that this bill has been before this House for more than two or three weeks at best. It is not true. He knows because he was there. He is part of the government.

Mr. Cooper: Madam Speaker, because of these rude interruptions, I have not had an opportunity to express what I wanted to say.

I want to say, and I have said it very clearly, this bill was tabled June 18, 1991. That is some six months ago. The House has then—

Madam Deputy Speaker: Unfortunately now I must interrupt the hon. parliamentary secretary.

It being 10.55 a.m., pursuant to order made Wednesday, February 19, 1992, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of second reading stage of Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, now before the House.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

Madam Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

[*Translation*]

Madam Deputy Speaker: Pursuant to Order adopted Wednesday, February 19, 1992, the recorded division stands deferred until 6 p.m. on Monday, February 24, 1992. The sitting of the House is now suspended until 11 a.m.

[*English*]

Mr. Angus: Madam Speaker, on a point of order, I realize that it is just two minutes before statements start. I think some members are in the House who are prepared to commence their statements. Perhaps we could start two minutes early for a change.

Madam Deputy Speaker: The House has heard the suggestion made by the hon. member. Is there consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Cooper: Madam Speaker, as long as members who are prepared to participate are here and are ready to proceed, I think that is a wise idea.

[*Translation*]

Madam Deputy Speaker: We shall call it eleven o'clock. Since it is eleven o'clock, pursuant to Standing Order 30(5), the House will now proceed with Members' Statements pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE LATE ALFRED JOSEPH CASSON

Hon. Alan Redway (Don Valley East): Madam Speaker, as I walked to the House today, I saw the bright sky reflecting the beauty of this country which we too often take for granted.

I thought, what a pity so great an artist and a Canadian as Alfred Joseph Casson will no longer be here to interpret such glory for us.

I am proud to say that he was born in Toronto in the closing years of the last century, 1898, and was soon recognized as one of this country's great talents by the members of the Group of Seven who admitted him to their ranks in 1926.

From his colleagues, notably Lawren Harris, he developed a style based on simplification and the elimination of non-essentials.

He went on to contribute even more than his paintings by giving his full support to environmental causes.

Joining the ranks of the Order of Canada as an officer in 1978, he exposed this country to us in ways that did credit to all other members of that order and to the country itself.

There are those individuals who are given the talent to contribute something special to society. A. J. Casson was such a Canadian. Fortunately many of his works remain preserved in the public.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, the Canadian negotiating team for GATT agricultural talks is in Geneva. Almost 30,000 Canadian farmers are in Ottawa demonstrating their support for supply management.

The message is very clear. Do not let supply management be sacrificed at the GATT talks.

If government lets supply management die, over 500 family farms in the dairy sector in Prince Edward Island will be destroyed. Hundreds of other Islanders could lose their jobs over the next few years if government gives in to foreign pressure.

Weakness at the GATT would be an economic disaster for Prince Edward Island. Supply management is the safest and most reliable food distribution system in the world.

The Prime Minister and Canada's GATT negotiators must persuade GATT to continue to strengthen article XI.

[*Translation*]

GASPE PENINSULA

Mr. Charles-Eugène Marin (Gaspé): Madam Speaker, tourism plays a predominant role in Quebec's economy and brings in more than $4 billion annually in revenue. Eastern Quebec, especially the Gaspe Peninsula, is among the most popular tourist destinations. Thanks to local entrepreneurship, a new company in Percé, Set-Ha Inc., will offer excursions for tourists starting next season.

This project, which represents an investment of $1,650,000, was assisted by the Federal Office of Regional Development-Quebec, which contributed $495,000. Construction will be carried out by Kata-Marine International, a shipyard in Paspébiac, in the Gaspe. The project, in addition to generating several dozen jobs, will help diversify tourist attractions in Percé and should encourage the 300,000 visitors that come to this part of the country every year to stay a little longer next time. People in the Gaspe are often told to start doing things for themselves. This project is only one example among many of the energy and entrepreneurship of the people of the Gaspe. The Gaspe lives.

* * *

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, thousands of farmers have gathered today on Parliament Hill to show the government their deep concern over the future of agriculture in Canada if supply management is not preserved at the GATT.

The GATT deal is near and much is at stake for our producers.

Supply management has been the cornerstone of Canadian agriculture. It has provided Canadians with an abundant supply of quality and reasonably priced food.

Our producers have asked our government to stand firm in Geneva and fight to have article XI of the GATT clarified and strengthened.

I was very happy to witness in this House on February 12 the unanimous support given to a motion which sought the protection and continuation of supply management.

We all realize that Canadian agriculture is much more than producers, processors and consumers. It is a part of our heritage and when a Canadian farm dies, a part of Canada dies too.

I join with the farmers from my riding of Stormont—Dundas who are outside this building today with fellow producers in calling upon the government to fight tooth and nail at GATT for the preservation of supply management.

* * *

[*Translation*]

LAVAL UNIVERSITY HOSPITAL RESEARCH CENTRE

Mrs. Suzanne Duplessis (Louis-Hébert): Madam Speaker, I want to tell you about some initiatives put forward by our government to support research and development in Quebec. R and D plays a leading role in the growth of our companies and of the whole country. Unfortunately research institutions sometimes face financial problems. To meet this need, we set up a program to increase scientific research and technological development activities.

Through this program we were able to contribute $5 million to the Laval University Hospital Research Centre in Ste.-Foy to help it expand and modernize.

This project involves investments totaling more than $35 million and will create and consolidate more than 400 high-tech jobs.

In conclusion, this assistance program is an excellent way to give a new impetus to research establishments so that they in turn can contribute to economic development—

Madam Deputy Speaker: I must interrupt the hon. member because unfortunately her time has expired. The hon. member for Nanaimo—Cowichan.

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, the GATT negotiations going on right now are crucial for Canada.

They are important for producers because our system of supply management is good for them. They know how much product they are going to be able to produce and dispose of. They know that they will get the reasonable price that they have negotiated. It is good for them.

It is good for the people working in the processing industry. As long as we are producing our own product those processing plants will have an opportunity to dispose of the small surplus that is calculated to satisfy just the process market.

It is good for communities in many parts of Canada where they are totally dependent upon the agricultural input into those communities.

It is good for Canada as a whole. It is a system unique to Canada, better than anything else anywhere in the world to produce the required amount of product.

The government has an opportunity and a responsibility to stand up not just for producers, not just for consumers, but for the whole of Canada and to say: "We are a sovereign nation. We will do this because it is good for Canada. We want you to work with us, but we are going to do it".

* * *

[*Translation*]

WOMEN'S SPEED SKATING TEAM

Mr. Yvon Côté (Richmond—Wolfe): Madam Speaker, it gives me great pleasure to draw the attention of my colleagues in this House to two marvelous award winning performances by our Canadian athletes yesterday in Albertville.

I would point out that for the first time in Olympic history, the short track speed skating competition qualifies for medals. The Canadian women's team in the 3,000-metre relay won the gold medal for this event.

I wish to congratulate our speed skating veteran, Sylvie Daigle of Sherbrooke, Quebec, Nathalie Lambert of Montreal and two newcomers to the team, Angela Cutrone of Saint-Léonard, Quebec and Annie Perreault of Windsor. I have nothing but admiration for them.

I would also like to make particular mention of Miss Perreault's contribution. She is from my riding of Richmond—Wolfe. She must be very proud of herself today. Her family and her coach must be very proud of her too, and so are all Canadians, including me.

* * *

[*English*]

FARMERS' RALLY

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, today on Parliament Hill tens of thousands of angry, frustrated and scared farmers are rallying to bring to the attention of this government their concern over the government's weak-kneed attempt to save supply management.

Our system of marketing ensures that the supply of a product does not exceed the demand for it. It provides producers with a reasonable return for their hard work while guaranteeing consumers across Canada high quality food at reasonable prices.

These farmers want the Prime Minister to personally meet President Bush and demand an American commitment to article XI.

They also want the Prime Minister to personally meet with them today to explain his actions in getting this commitment from the Americans.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, the federal government has consistently supported those Canadian agricultural producers who have requested that their sector be supply managed.

In fact the Canadian Broiler Hatching Egg Marketing Agency was established as late as 1986.

It is clear that the existing article XI of GATT is inadequate.

Therefore, with the support of Canadian dairy, egg and poultry producers, Canada has sought as part of its negotiating strategy at the current GATT round a strengthened article XI which would guarantee the import quota protection that is required by the supply managed sectors.

The problem is that the Canadian position on the import quotas has been declared unacceptable by all but a tiny handful of other countries.

I hope the delegation of farm leaders presently in Europe will be able to make the European Community better understand the Canadian position.

This calls for substantial reductions to all trade-distorting subsidies, increased access to international markets, a strengthened article XI, and clearer trade rules that equally apply to all nations.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, just outside the halls of Parliament today we have thousands of farmers gathered, fighting to save their jobs, their livelihood.

They are dairy farmers and poultry farmers. They are fighting against what is happening at the GATT talks.

I make an appeal to the Prime Minister of this country to fly to Washington to talk to George Bush directly and personally.

• (1110)

George Bush and the American administration are the main obstacles in fighting against our dairy farmers and our poultry farmers.

There are tens of thousands of farmers out there. It affects not only them, but also their families, their livelihood.

It affects thousands of jobs across this country in the food-processing industry from one coast of this country right to the other.

This is a Canadian issue. We have to stand up for our Canadian farmers, our Canadian people.

If this Prime Minister does not fly to Washington in the next few days to talk to George Bush, he is derelict in his duties as Prime Minister of Canada.

S. O. 31

ATLANTIC ECONOMY

Mr. Ron MacDonald (Dartmouth): Madam Speaker, the Atlantic economy has supported a disproportionate share of this government's economic assault on the Canadian economy.

There has been record-high unemployment in the region, record-high bankruptcies and a fishery which has been mismanaged by this government into utter collapse.

Now we here mutterings that in Tuesday's budget the government plans to take aim at the Canadian military once again. The military has already been savaged by indiscriminate cuts that border on lunacy.

These further cuts may also seriously damage the shipbuilding industry in Atlantic Canada, if indeed the government downsizes or cancels contracts for the frigate program or the coastal patrol vessel program.

These contracts, worth hundreds of millions of dollars, are not only vital for the efficient functioning of the Canadian navy but also are absolutely essential for the survival of the shipbuilding industry in Halifax and Dartmouth; Saint John, New Brunswick; and Georgetown, P.E.I.

I warn this government that the thousands of employees in the military and shipbuilding industry in Atlantic Canada will simply not tolerate another frontal assault by this government.

* * *

[*Translation*]

SUPPLY MANAGEMENT

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, the farmers from Abitibi-Témiscamingue must not see their supply management system taken away from them at the GATT negotiations.

* * *

ANGELA CUTRONE

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I have the honour and the great pleasure of rising in this House today to congratulate, on behalf of all my constituents, Angela Cutrone from Saint-Léonard for her splendid achievement at the Albertville Olympic Games.

Angela Cutrone, Sylvie Daigle, Annie Perreault and Natalie Lambert left for Albertville to represent Canada with determination and with the confidence of their country. They are coming back as champions of the 3,000 meter short track speed skating relay. All Canadians savour this victory with them. Their performance was impeccable. The people of Saint-Léonard are especially proud of one of their own.

Angela, I congratulate you for your courage and for your winning performance. I thank you for winning this gold medal and having so proudly represented Saint-Léonard as well as the rest of Canada.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, more than 1,00 farmers from my riding are demonstrating on Parliament Hill today, and I want to let them know I support their action regarding the GATT negotiations. I would like to mention the participation of the President of the UPA Nicolet Federation, Mr. Réjean St-Pierre, and of the administrators and farm producers from Drummond, namely Messrs. Alain Désilets, Auguste Boily, Armand Courchesne, Ghislain Grondin, Michel Lambert, Édouard Oberli, Daniel Zuchoski, Rosaire Baril, Constant Cardinal, Jacques Corriveau, Mrs. Ginette Duff and Messrs. Jean-Claude Paradis and Guy Lefebvre.

The government said many times that it wanted to protect and maintain the four pillars of agriculture in Quebec, at the same time as it sought to strenghten article XI. I want to reassure farmers that, from the very beginning, the government's position on Article XI and marketing boards has not changed and it intends to defend those policies to the end.

In fact, Madam Speaker, all members of the House of Commons, both on the government side and in the opposition, support this position.

* * *

[*English*]

PORCUPINE CARIBOU HERD

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I rise today to inform the House of another important victory for the Gwich'in peoples of Alaska, Yukon and Northwest Territories in their fight to preserve an arctic way of life.

After intense lobbying by Gwich'in peoples and others, an amendment to the U.S. energy bill that would have opened up the Arctic National Wildlife Refuge in Alaska to oil and gas development was withdrawn from the United States Senate earlier this week.

This is just one victory, for there will be other attempts to open up this fragile wilderness area to development. This development would threaten the very survival of a national treasure, the porcupine caribou herd upon which the Gwich'in have depended for thousands of years.

I therefore call on the federal government to again urge the American government to honour its agreement to Canada to protect the caribou for now and for future generations.

* * *

AEROPLANE INDUSTRY

Mr. Albert Cooper (Peace River): Madam Speaker, as you know, I have on several occasions risen in this House to make a plea that this government give a very high priority to the development and expansion of the aeroplane industry in this country.

I call upon it to do that because this is an industry that I think could be hugely beneficial by creating a tremendous number of job opportunities and a great deal of investment in this country. It can do so without need of taxpayers' money. It is simply a matter of regulatory changes both in terms of licensing of pilots and in terms of creating a recreational category of aeroplanes.

The argument I face in pushing this industry is that we must as Canadians wait for other countries to develop regulations that would be consistent with ours, thus providing us with a market.

I argue that we led on the advanced ultra-light regulations. We can also lead on this. We can create a market in Canada and the rest of the world will follow us.

PINK SLIPS

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, plant and store closings have unfortunately become a daily occurrence in Canada.

In common parlance, a notice of work lay-off is known as receiving the pink slip. I have received 1,106 pink slips, similar to the one I hold in my hand, from the members of the United Electrical Radio and Machine Workers of Welland.

The pink slip is intended as a discharge paper to the Prime Minister and this government. It also represents the concerns, worries and despair of my constituents who find themselves unemployed due to government policies such as the free trade agreement, implementation of the GST, and many others.

As it says on this pink slip, enough is enough.

ORAL QUESTION PERIOD

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Ms. Sheila Copps (Hamilton East): Madam Speaker, my question is for the Deputy Prime Minister, the former Minister of Agriculture.

On Wednesday the Liberal member for Parliament for Gatineau—La Lièvre asked whether the Prime Minister would be attending the farm rally today. The Prime Minister refused to answer.

Yesterday the member for Haldimand—Norfolk asked whether the Prime Minister would be attending the farm rally. The Prime Minister refused to answer.

It is not a hard question. The government has had 48 hours to think about it.

I want to ask the Deputy Prime Minister if he will join with the Prime Minister today to meet with the tens of thousands of Canadian farmers who have a right to hear directly from their Prime Minister?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker, it is my

intention not only to meet but to address the group of concerned farmers.

The Prime Minister, as the House very well knows, has been working on this issue very hard. He has spoken to Chancellor Kohl and Mr. Delors. He has spoken to Mr. Major. He has communicated today with the Prime Minister of Japan and with Italy. He will be meeting with the Prime Minister of Italy, Mr. Andreotti, in Toronto some time later next week. As well he intends to meet with Mr. Bush on this as soon as arrangements can be made.

Ms. Sheila Copps (Hamilton East): Madam Speaker, my question was very specific. Will the Prime Minister meet today with the farmers? He has a right and a responsibility as Prime Minister to tell Canadian farmers where he and his government stand not only in public but in private on the specific issue of article XI.

Every political party in this country, except the Reform Party, says it supports marketing boards. In fact the Prime Minister has been unsuccessful in convincing his great friend, George Bush, that the Americans should allow the Canadian farmers to survive.

My question to the Deputy Prime Minister is: Will the Prime Minister tell farmers today what specific action he will take with his good friend, George Bush, to let him understand that the Canadian farm family's survival is critical to the survival of our country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member does not have to lecture me on the position of the government with respect to article XI.

I was the Minister of Agriculture when this position was developed. It was developed in a very methodical way, in close consultation with all the producers across the country and with all the provincial governments. It is a balanced position that has been defended from the time it was developed, has been defended in the interim and is being defended today by the Prime Minister, the Minister of Agriculture, the Minister of State for Agriculture, the Minister for International Trade, all cabinet colleagues and all the caucus of this government.

In so far as what the Prime Minister is doing, I just outlined to the hon. member what the Prime Minister was doing. He has met with farm leaders and farm representatives on two occasions this week. He has communicated in public. I indicated to the hon. member that I will be there representing the Prime Minister today, on his behalf and on behalf of the government, as a former Minister of Agriculture and as the current Minister of Finance.

• (1120)

[*Translation*]

Ms. Sheila Copps (Hamilton East): The truth, Madam Speaker, is that in spite of all those fine words and gestures, the Prime Minister and his team have so far failed on this issue. I would like to ask two questions. Why is the Prime Minister so afraid to meet directly with the thousands of farmers who have come here today? Why does he continue to hide behind closed doors instead of stating publicly today his position on article XI of GATT?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I indicate to the hon. member and to other hon. members of the House what the Prime Minister was doing, how he has stoutly defended the position of the government, and is using his good offices to convey that message to all the world leaders with whom he has close personal relationships.

I might ask the hon. member how come she has become so interested in article XI. I never heard a peep from her in bygone days. Just because there is a protest out there, she wants to cash in on it.

Mr. Maurice Foster (Algoma): Madam Speaker, I would just say that the deputy leader of our party made a great speech last week. I did not see the Deputy Prime Minister make a speech in the emergency debate.

I have a question for the Deputy Prime Minister. Tens of thousands of farmers from British Columbia to Newfoundland are rallying on Parliament Hill to protest the lack of progress this government has made in the GATT negotiations to save our supply managed sectors of the agriculture community.

The government has been negotiating for five years and Secretary General Arthur Dunkel in his report on the GATT a couple of months ago does not even mention the strengthening and clarifying of article XI. Why has the government failed Canadian farmers so grievously in those negotiations?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, what the members of the farm community are doing today, I believe, is supporting the position of the government. The hon. member laughs.

Mr. Simmons: They are laughing at you too.

Mr. Mazankowski: He says that they are laughing. Jack Wilkinson, vice-president of the Canadian Federation of Agriculture who is over in Europe with my cabinet colleague, said: "Our main goal is to show that we support the position that there is uniform support from the farm community. It is a critical matter to us to have a successful conclusion to the GATT. We are here to do our part, to explain as best we can and to offer support to the Canadian position". I say amen to that.

Mr. Maurice Foster (Algoma): Madam Speaker, 25,000 farmers are rallying on the Hill today to protest the lack of progress in those GATT negotiations. They are terrified of tariffication. They think the government is going to sell them out.

This House passed a unanimous resolution asking the Prime Minister to get involved in these negotiations, to meet with the presidents of Europe and of the United States.

When the Prime Minister has been asked by the House of Commons to get involved in these negotiations, why does he refuse to meet with farmers who have spent thousands of dollars of their own money to come here to protest the lack of action? Why does the Prime Minister refuse to meet with them, speak with them and learn of the concerns they are facing today? Why?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, why does the hon. member refuse to listen to the answers? I just indicated that the Prime Minister has met on two occasions with representatives of the farm community.

An hon. member: This week.

Mr. Mazankowski: This week. He has dispatched three senior ministers of the government, along with farm leaders, to Europe to demonstrate the solidarity and to reaffirm and continue to explain our position. Meetings have taken place with Mr. Dunkel and the GATT negotiating committee. Meetings have taken place in Bonn and in Brussels.

I have just spoken to the Minister for International Trade and the Minister of Agriculture. The Prime Minister, as I indicated, has been touch with Chancellor Kohl and with Mr. Major, the Prime Minister of the U.K. He has also spoken to Mr. Delors. He has sent a communication to the Prime Minister of Japan and to the Prime Minister of Italy. He will be meeting with the Prime Minister of Italy next week. He is setting up a meeting with George Bush.

The Prime Minister is very actively involved in this. He has the support of the farmers and he has the support of members on this side of the House. I would hope that he would have the support of hon. members on the other side of the House as well.

* * *

THE ECONOMY

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my question is for the Minister of Finance.

The casualties of the government's war on inflation mount every day: a severe and prolonged recession, decreasing exports from this country and a decreased retail trade as we heard today. Of course there is decreased retail trade; people have no money to buy anything and they do not have confidence that they will have a job tomorrow. The only growth industry this government has created is the welfare industry.

Will the Minister of Finance put the same kind of zeal or energy he has put into zero inflation into having zero unemployment in this country? Can workers expect to see some hope in the next budget?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I find it passing strange that the hon. Leader of the New Democratic Party would take issue with the government's war against inflation. If there is anything that is debilitating against low income workers, against senior citizens, against people on fixed income, it is the deterioration of their income as a result of inflation, particularly inflation that is unabated.

For example, I am sure the member would be interested in knowing that with 9 per cent inflation—and that was the average rate of inflation between 1974 and 1984—a person on a pension or on a fixed income would see his or her income cut in half in just eight years. On the contrary, with inflation at 2 per cent per year it would be cut in half in 35 years. That demonstrates the

magnitude of the impact of runaway inflation. The hon. member, I would think, would have appreciated that.

Second, to contain the cost of inflation reduces the cost of doing business and improves Canada's productivity. That has been at the core of the problem. If we can get the fundamentals right, as we are so close to achieving right now, we will be in a position to take advantage of the opportunities that are before us.

I hope the hon. member will join with the federal government in its attempt to deal with the basics and the fundamentals because she has some colleagues in government—

Madam Deputy Speaker: I think the hon. minister may want to continue with the next question.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I am sure those 1.5 million unemployed and the other almost 2 million who are on some form of social assistance do not feel that a lecture will provide them hope, a meal on the table, or a job tomorrow.

The devastation, as we see, is from coast to coast in this country. Nowhere are the effects of bad government policies more evident than on the Atlantic coast where thousands more people are looking at the possibility of losing their jobs.

My question for the Acting Prime Minister is simply: Will the government commit today to review on the east coast every foreign fishing licence it has issued, with a view to terminating those which have contributed to the economic and human disaster? Will the government give notice of intention to extend jurisdiction over the nose and tail of the Grand Banks?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, on the question of extending the 200-mile limit, the hon. member should be aware that Canada at the UN is pressing this issue for extension. We could go at it the way she proposes, and that is probably for Canada to become an outlaw in the world. We can, but we respect international law.

On the question of the fisheries and of those fishing licences to foreigners, she should come and visit Atlantic Canada. She should come and see who is fishing there and she will find out that foreign nations have a right to fish sometimes. It is only after Canadian fishermen have indicated they have no interest in that stock. For the rest of it, we just respect our international obligations.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, it does not matter what industry, it seems, we are discussing. Whether it is disputes related to the trade deal, this government's talks fail, whether it is disputes on the Atlantic fisheries, this government's talks fail. Whether it is disputes at GATT, this government's talks fail.

I want to ask a question of the Acting Prime Minister. There are tens of thousands of farmers who are going to be demonstrating today. They represent only a small percentage of those 100,000 people who could lose their jobs and their family's income.

• (1130)

Will the Deputy Prime Minister urge the Prime Minister to speak to these farmers today and to speak to the Canadian public about the commitment of Canadians to farming industry. Will he urge the Prime Minister not simply to send communiqués, but to meet with his counterparts personally in Europe to put forward the Canadian case, to stand up for Canadians and for once to say to Canadian farmers, Canadian fishers, Canadian manufacturing industry that we will stand up—

Madam Deputy Speaker: The question has been put.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Prime Minister has met with farmers on many occasions. I would say that this Prime Minister has met with farmers more often than any other Prime Minister in the history of Canada.

An hon. member: Trudeau didn't know what a farmer looked like.

Mr. Mazankowski: He meets with them on an ongoing basis. He met with them on two occasions this week. He has taken action with regard to this difficult situation, in communicating and talking directly to the major players involved in this issue. I will be there to speak on behalf of the Prime Minister and I will certainly convey any message that I pick up.

But my understanding is that this demonstration is in support of the government position. It is to reaffirm the unity and the support for the Canadian position that was developed with care, taking into consideration all the aspects of Canadian agriculture.

The hon. member laughs and giggles over there. He is not taking this seriously. He thinks that this is a time to score a few political points. Well, we take this very seriously and I will be there speaking to the farmers.

* * *

GRAIN TRANSPORTATION

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, my question is for the Deputy Prime Minister who knows that any new GATT agreement could have a major impact on Canada's western grain transportation policy.

The current method of paying grain transport assistance directly to the railways is under review. But the Minister of Agriculture has already said that these payments are "an enhancing subsidy under the proposed GATT conditions set down in the Dunkel report".

My question for the minister is this. Has the government decided to change the method of payment?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the government has not made a decision on whether there would be a change in the method of payment. Consultations are ongoing, and in so far as the Dunkel proposals are concerned, Canada's response will be tabled I believe some time after March.

The hon. member understands, I am sure, that if there is to be any modification in the Western Grain Transportation Act, it will require legislation. He is clearly aware of the fact that a review is ongoing, which is required by the legislation itself, so that process is taking its own course.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my supplementary is for the Deputy Prime Minister and concerns GATT as well. The thousands of farmers demonstrating today in front of Parliament are worried about the potential loss of 100,000 jobs and $10 billion to the Canadian economy. After negotiating for five years, how can the Deputy Prime Minister explain his government's inability so far to protect and improve article XI of GATT? How can he explain that?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the position of the Canadian government is very clear. The ongoing negotiations are still taking place and no one knows for sure whether there will ever be a conclusion to the GATT talks.

There is certainly a lot involved in this process. There are 108 countries. Canada's position has been defined very clearly. The Minister of Agriculture, the Minister for International Trade and the Minister of State for Agriculture are over in Europe right now trying to explain Canada's position so that it will be clearly understood. They are talking to other farm groups and the farm leaders are talking to other farm groups.

A number of countries support the Canadian position. We are attempting to rally more support for the Canadian position because we believe that the supply managed system, the marketing board system, is something that is very unique to Canadian agriculture. It does not contribute to surpluses in the international marketplace, it is a very unique and fundamental part of Canadian agriculture, and that is why the position that we defined is being fought for so intensely.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, farmers from all over Canada are right now showing their support for supply management to a government that has not been able to protect them, first under free trade and now in the GATT negotiations. I ask the Deputy Prime Minister how, after five years of failure, can the farmers gathered here trust a Prime Minister who already let them down in the free trade negotiations?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, that is a most unfair comment.

The hon. member should really reconsider that fact. In most cases, we would say that that is a cheap shot. There is no one who has more stoutly defended Canadian agriculture, whether it is the export side or the supply management side, than the current Prime Minister of Canada.

Some hon. members: Hear, hear.

Mr. Mazankowski: When the hon. member says: "When are we going to protect supply management from the free trade agreement", I do not know where he has been for the last number of years.

The free trade agreement carved out supply managed systems. They were carved out and grandfathered, and the supply management systems remain. That is one of the advantages of the free trade agreement and that is one of the advantages of the bilateral negotiations that took place.

We were able to ensure that the supply management systems were protected and held in place. We were able to ensure that article XI was retained, which is the fundamental pillar to sustaining the supply management systems in Canada.

Mr. Joe McGuire (Egmont): Madam Speaker, I have a supplementary question for the Deputy Prime Minister.

One of the stumbling blocks to Canada's attempts to strengthen article XI has been the opposition of the American government.

Will the Prime Minister take advantage of his close personal relationship with the President of the United States by personally leading a delegation of his ministers and Canadian farmers to Washington within the next couple of weeks to gain American government support for the Canadian position?

Will he get off the phone and leave his office? Will he get together with the farmers and lead such a delegation within the next couple of weeks?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I simply remind the hon. member that when the free trade agreement was negotiated, supply management systems were not affected.

They were grandfathered, and that was the agreement with the United States.

Mr. Boudria: Remember ice cream and yoghurt.

Mr. Mazankowski: The ice cream and yogurt decision is one that was taken under GATT and not under the free trade agreement. It had nothing to do with the free trade agreement.

The fact of the matter is that in the negotiations on a bilateral basis, the supply management systems were saved. I indicated in response to an earlier question that the Prime Minister was, indeed, setting up a meeting with President Bush to talk about this matter.

Some say: "Why does he not meet people personally?" He is going to meet the Prime Minister of Italy, Mr. Andreotti. He is going to meet Mr. Bush. He has talked to Mr. Major.

It is very difficult for him to be meeting farmers and travel around the world at the same time. The hon. members cannot have it both ways.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, the Prime Minister said in the House on February 5 that he has fought for the cause of farmers for six or seven years.

This is a copy of the government's initial proposal to GATT submitted in 1987. The document strategy is toward tariffication and toward the removal of marketing boards. Now the minister is saying: "We do not want tariffication. We support marketing boards". You cannot have it both ways.

I want to ask whoever is speaking on behalf of the Prime Minister how the Prime Minister can continue to say that his government supports Canada's marketing boards when its opening bid at the GATT negotiations in 1987 was, in fact, to dismantle supply management? Does he support marketing boards? Does he support supply management? Will the real prime minister please stand up?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, that is absolute nonsense. I will send the hon. member a documented copy of the Canadian position that was taken with respect to our negotiating position at GATT which includes very clearly the strengthening and clarification of article XI.

I should know because I was the one who was presiding—

Mr. MacWilliam: It's your document and it doesn't say that.

Mr. Mazankowski: I was the Minister of Agriculture when that position was developed and I will tell the hon. member that a lot of water has flowed under the bridge since 1987.

• (1140)

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, the government's bottom line at the GATT negotiations was revealed last month in a letter from the Minister for International Trade to the Tory members of Parliament. In the letter the minister states that Canada will not withdraw from negotiations even if it loses supply management.

I want to ask whoever is speaking on behalf of the Prime Minister, what kind of negotiation tactic is this? You have been showing your hand before you even play your cards. The Prime Minister and the Minister for International Trade have been playing two tunes off the same fiddle and now Canada's farmers may have to play their swan song—

Madam Deputy Speaker: Will the hon. member please put his question. It has been a very long preamble.

Mr. MacWilliam: Madam Speaker, I did pose my question. I asked what kind of negotiation tactic this was. The government has essentially played all its cards before the negotiations have proceeded. What are you going to do now, now that you have shown your cards, now that you have shown your bottom line, now that the farmers are up against the wall—

Madam Deputy Speaker: The question has been put.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the tactics that are employed by the New Democratic Party of excessive partisanship are certainly not the most appropriate way, in my view, of displaying a position of solidarity.

I thought all members of this House of Commons, with the exception of the Reform representative, supported generally the position that the Government of Canada defined in consultation with the producers of Canada and with other provincial governments; that is, the balanced position which says we call for the strengthening and clarification of article XI.

That is the position that I represented and that the former Minister for International Trade represented. That is the position that the current Minister for International Trade represents and the current Minister of Agriculture and the Prime Minister represents.

I do not know how much more clearer we can be. All the hon. member is doing is trying to engage in excessive partisanship, which I repeat does not play well across the country and indeed around the world.

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, my question is directed to the Deputy Prime Minister. Liberal, NDP and Conservative members have unanimously adopted a motion asking the Prime Minister to continue his active of support of Canada's position at the GATT talks on agricultural policy by meeting with the President of the United States and other heads of state. Could the minister tell the House whether the Prime Minister is prepared to go and meet President Bush with a delegation of Canadian and Quebec farmers?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I indicated in response to an earlier question, the Prime Minister has been in touch with Chancellor Kohl, with Mr. Delors of the European Community, with Prime Minister Major. He has sent a communication to Mr. Mitterrand and to the Prime Minister of Japan, Mr. Miyazawa. He has also sent a communication to the Prime Minister of Italy, Mr. Andreotti and he will be meeting with him in the next week or so.

He is in the process of arranging for a meeting with President Bush at an appropriate time, all of which is to say that the Prime Minister takes this issue very seriously. He recognizes the difficulties and the concerns that are being expressed by the farmers of Canada and he is prepared to act.

All I would hope is that on this occasion, at least for one time, that we act in a unified way, that we act with a display of solidarity. I think that that is what most of the producers out there are here to support, the position of the Canadian government in its difficult fight in achieving a fair deal for Canadian agriculture at the GATT.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, 20 Newfoundland fishing captains were arrested last year. Their crime was fishing. At the same time, European boats took 164,000 metric tons of fish in the same general area in direct violation of the NAFO

moratorium, enough fish to save every closed fish plant in Atlantic Canada.

I want to ask the Deputy Prime Minister, as the acting head of government here today: Why the double standard? Why is it we are harassing, putting the blocks to Newfoundland fishermen whose only sin is they want to put some bread and butter on the table and at the same time he is letting off the Europeans scot-free?

Hon. Bernard Valcourt (Minister of Employment and Immigration): The hon. member knows that this is not a double standard. He knows better. If he does not, the fishermen in Newfoundland and Labrador do. The question of foreign overfishing is one that the Minister of Fisheries and Oceans is working hard on. It is not easy, and we have acknowledged this. We are pursuing the issue on several fronts; at the UN in trying to extend the zone to protect the entire Canadian shelf, and in Europe, the government, with the help of the fishermen of Newfoundland and Labrador, is making public the impact that this has on the ecosystem in the Atlantic.

These are measures that are being pursued all the time and we intend to intensify them.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, as the Minister of Employment and Immigration knows, today, in fact in a few hours, the FPI processing plant in Port Union—Catalina will shut its doors. Eight hundred and fifty plant workers and 155 trawlermen will be without work. It is estimated that 120 of those will not have qualified for unemployment insurance. As their member of Parliament, I would like to seek the assurance of the Minister of Employment and Immigration that there will be put in place for those people a compensation package and that it will be adequate and immediate.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, in 1991, in addition to the safety net of unemployment insurance benefits, this government assisted fishermen and plant workers in Atlantic Canada with the $584 million Fisheries Adjustment Program and we developed a compensation program of $39.5 million. Literally hundreds of millions have been spent to help those people. If his concern is about this government caring about the situation of those displaced workers, I think we have demonstrated many times that we are ready to help and do what is possible to alleviate the problem, and we will keep on doing this.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, my question is directed to the Deputy Prime Minister. A few minutes ago, the Minister of Employment and Immigration, in reply to the question posed by the member from the Yukon said: "We cannot". The minister's knowledge of history needs to be strengthened.

It is a fact that the Government of Canada 20 years ago had the courage to extend its jurisdiction to protect Arctic waters from pollution. This government must now find the courage to conserve the fishery. The key is to claim the responsibility for the fish no matter where they swim.

My question to the Deputy Prime Minister is this: Will the Government of Canada find the courage to extend unilaterally Canada's jurisdiction to the outer limits of the Grand Banks?

Hon. Bernard Valcourt (Minister of Employment and Immigration): This is the position of the Liberal Party of Canada. Go out and tell the world. Go out. The Liberals in Canada want Canada to disrespect international law. It makes sense. Let us become an outlaw in the world. That may be what the Liberals want for Canadians, but this government will never do that.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, it is not this side of the House. It is the Prime Minister of Canada who, at home and abroad, has made immense and forceful declarations about the fact of his support for sustainable management, for the sustainability of natural resources.

Now the Prime Minister has to implement his words. Therefore the question is: Will this government find the courage that is needed to extend jurisdiction to the entire Grand Banks to ensure a sustainable fishery? Now is the time of truth.

Hon. Bernard Valcourt (Minister of Employment and Immigration): As my colleague, the Minister of the Environment, indicated yesterday, the Prime Minister has put this issue very high on his agenda for the Earth Summit that will be sponsored by the United Nations in June 1992 in Rio de Janiero.

Maybe through the route of countries acknowledging the impact that this overfishing has on the ecosystem we can achieve protection of those fish that, yes indeed, swim outside of the 200-mile limit. We are at the same time pursuing at the United Nations the legal way, that is extending beyond 200 miles, but according to law. I know the Liberals do not like it, but I am sure Canadians do.

* * *

• (1150)

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Lorne Nystrom (Yorkton—Melville): My question is for the Deputy Prime Minister.

If I may, through a question, I will make a suggestion to the Deputy Prime Minister. When he speaks to farmers in a few minutes out front, I wonder if he would consider inviting a delegation of farm leaders to accompany the Prime Minister when he goes to see President Bush in Washington, and as well, inviting a delegation of MPs from all three parties to go with the Prime Minister in order to show the farmers of this country that there is solidarity in this country. We must protect their marketing boards. It is a way of life for the farmers. It means jobs not only for the farmers but for the workers in this country. An all-party delegation, including the farm leadership of Canada, with the Prime Minister might make an impact on the President, on the American media and on the American political leadership.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, certainly I will take the hon. member's suggestion into consideration, but I simply remind him that it was the Prime Minister who decided that his senior ministers, accompanied by leaders of the farm community, should travel to Europe. I think that what the hon. member is suggesting is somewhat consistent with what the Prime Minister has already acted upon.

I spoke with the Minister of Agriculture and the Minister for International Trade this morning. They have had very useful discussions. I think there were discussions with countries that were aligned with the Canadian position and also countries that were not aligned with the Canadian position. Obviously there are strong views held on both sides.

Obviously the effect of it is that the Canadian position is more broadly understood and provides some potential for improving the situation if and when a GATT deal can be concluded. The Prime Minister has been very open in terms of dealing with the agriculture community. I will make that suggestion to him and I thank the hon. member for it.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, it seems to me that the government does not understand sufficiently the degree to which Ontario farmers and farmers from across the country are scared and worried as they gather here in Ottawa today. The government says that farmers support the Prime Minister. In that case, why will the Prime Minister not meet with these farmers today and speak to them, not just with farm leaders, so as to show his commitment and so as to speak to that sense of fear and worry that is out there across the country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, of course I understand the concern that farmers feel. I have understood it for quite some time because I was the Minister of Agriculture who was speaking on their behalf when the position that Canada has developed and still maintains was undertaken.

We, together with all producer groups across the country in a solidified position, developed a balanced position that we took to the GATT. We had generated a fair amount of support. Of that support, some of it is still there, some of it is waning. It is important to note that all provincial governments supported the Canadian position. The hon. member may not be aware, but the Prime Minister has met with the farmers. He met with about 500 this week.

I will be there speaking on behalf of the Prime Minister and I will convey the Prime Minister's message to them. The Prime Minister cannot be there today, but he has never refused to meet with farm leaders and farm groups. He does it when he travels around the country, he does it in Ottawa and he will continue to do so.

Hon. Ralph Ferguson (Lambton—Middlesex): Madam Speaker, today there are tens of thousands of farmers on Parliament Hill and in other centres across Canada protesting this government's lack of leadership and progress in guaranteeing the continued stability of the Canadian dairy and poultry industries.

Several hundred of these farmers are from the United States. I have a letter here signed by 64 United States senators to President Bush demanding a continuation of section XXII of the GATT. It is a GATT waiver protecting their dairy industry.

In light of these mounting pressures within the United States, what action has this government taken to bring the government on side on this issue at the GATT?

An hon. member: A unanimous resolution from Parliament.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member for Lambton—Middlesex has been grinning and snickering throughout the whole Question Period. As a former Minister of Agriculture, I would have expected something better than that.

The hon. member knows very well that we are doing everything we possibly can and will continue to do everything we possibly can to convince the contracting parties that, indeed, the position Canada has adopted is a balanced, realistic position and a fair position.

Hon. Ralph Ferguson (Lambton—Middlesex): Madam Speaker, I have always been a supporter of a strengthened and enhanced article XI.

An hon. member: We know where we stand.

Mr. Ferguson: In view of the fact that these increasing pressures are taking place within the United States to retain their protection under section XXII of the GATT, protection for their dairy industry, their sugar industry and for peanuts and cotton, will the Deputy Prime Minister assure this House today that when they go to Washington that they will meet with these 64 senators who wish to retain section XXII and with the United States dairy farmers to form a common front against those interests that are threatening our Canadian dairy and poultry industry here in Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am delighted and pleased that the hon. member supports the position of the Canadian government. I welcome that and thank him very much for it.

[*Translation*]

INFLATION

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, my question is directed to the Minister of Finance. Could the minister give us the latest figures on the rate of inflation in this country?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Yes, I can, Madam Speaker. It is 1.6 per cent and it is one of the lowest in 20 years. I think it is a remarkable achievement because it is very fundamental to reducing our costs and preserving the lifestyle and the standard of living for Canadians and providing the groundwork for sustainable growth with price stability.

* * *

HUMAN RIGHTS

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, my question is for the Deputy Prime Minister. During a recent study trip to India, information provided to members of this Parliament revealed human rights abuses by authorities in India's Punjab state.

Given that Amnesty International and other human rights agencies have been denied access to India, can the minister acknowledge today in this House that such human rights abuses are taking place in India and should be noted by Canada?

[*Translation*]

Hon. Monique Landry (Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, our position on human rights is quite clear. Whether we are talking about our aid programs or the government's policy in general, we have an abiding concern for protecting human rights.

The Prime Minister himself, at the last two summits, the Commonwealth Summit in Harare and the Francophonie Summit in Chaillot, demonstrated Canada's commitment to protecting human rights, and that is what we are doing.

[*English*]

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, last year at a meeting of the Commonwealth heads of state, the Prime Minister stated that we will be increasingly channelling our development assistance to those countries that show respect for fundamental rights and individual freedoms.

Will the minister responsible agree to have this issue of human rights abuses in Punjab state immediately reviewed by the external affairs subcommittee on development and human rights so that Canada may update its position on foreign aid to India?

[*Translation*]

Hon. Monique Landry (Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, the human rights policy was implemented several years ago and it is being applied. It is not a new concept. We are already applying it; we review and evaluate it regularly, as circumstances require and also on a continuing basis. I take my colleague's remarks into consideration and we will continue to apply those principles.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. François Gérin (Mégantic—Compton—Stanstead): Madam Speaker, my question is for the Deputy Prime Minister and the Minister of Agriculture. Each farmer invested hundreds of thousands of dollars in order to buy quotas. They did so, Madam Speaker, because they believed what the government said to them. Today, it seems more and more obvious that this government met with a dismal failure and that quotas will disappear. Did the government consider the possibility to pay back to farmers their quotas at today's market value? Is it ready to make this commitment and to assure farmers this afternoon that they will incur no loss because of this government's inefficiency?

• (1200)

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, the hon. member for Mégantic—Compton—Stanstead is another victim of the Bloc Quebecois sickness. Just like his leader, he is ready to give up before the negotiations are over. Negotiations are not over. We know what the Bloc Quebecois wants. We know they are ready to give up before the end of the negotiation process.

[*English*]

* * *

MIDDLE EAST

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, in the absence of the Secretary of State for External Affairs I will direct my question to the Deputy Prime Minister.

We are all deeply troubled by the escalation of violence in the Middle East.

We have reports this morning that a shipload of Scud missiles are on their way from North Korea to Syria. We have heard that serious bombings are taking place.

I want to ask the Deputy Prime Minister: Why is Canada so silent and passive on this issue?

As a country that is chairing the conference on refugees as part of the peace process, is it not the case that Canada must speak out to stop the violence and to try to stop the escalation and particularly to support the sanctity of the United Nations in this area?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, I think yesterday in this House, the Secretary of State for External Affairs very eloquently put forward her position. Indeed, she has spoken out to condemn violence on all sides in the situation in the Middle East.

It has been this government's position to work supportively towards a peace process. Again, we call on all parties to enable that to happen successfully as those talks recommence next week.

* * *

AIR CANADA

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, my question is for the Minister of Employment and Immigration.

Yesterday, Air Canada decided to do a bit of its own out-shopping and went to the United States to find a chief executive officer and president.

I want to ask the Minister of Employment and Immigration if Air Canada has applied to bring this individual to Canada.

If so, what proof has it offered the Government of Canada that there is no single qualified Canadian able to operate Air Canada?

If it has not applied, will the minister make sure that there is a fair and thorough review of such application and no quick approval?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, the question of the admission into Canada of workers from foreign countries is regulated, as the hon. member knows. Air Canada, just like any other corporate citizen, has to go through the process.

The individual in question has been granted a temporary work permit. Air Canada will have to provide the department with all the information which the hon. member has raised. Once that is processed, whatever can be made public will be.

* * *

PRESENCE IN THE GALLERY

Madam Deputy Speaker: I wish to draw to the members' attention the presence in the gallery of His Excellency Paavo Vayrynen, Minister of Foreign Affairs of Finland.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

HOUSE MANAGEMENT

25TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I have the honour to present the 25th report of the Standing Committee on House Management.

Pursuant to the order of the House of Commons dated February 14, 1992 this report is deemed adopted when laid upon the table.

26TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I have the honour to present the 26th report of the Standing Committee on House Management.

Pursuant to Standing Order 104, and if the House gives its consent, I intend to move concurrence in this report later this day.

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

CONCURRENCE IN 26TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, if the House gives its consent, I move that the 26th report of the Standing Committee on House Management presented to the House earlier this day be concurred in.

Motion agreed to.

* * *

PETITIONS

CANADA POST

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, I rise today to present a petition from citizens of New Westminster who call upon this Parliament to look at postal services in my community.

The petitioners state that closing the New Westminster post office and changing it into a commercial service centre for businesses only establishes two classes of citizens in Canada, and that this arbitrary decision was made without any consultation with the residents of New Westminster or with the New Westminster city council.

Therefore, they call on this Parliament to halt the plans to close the New Westminster post office on Columbia Street and replace it with a commercial service centre that does not serve the needs of all the public.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Agreed?

Some hon. members: Agreed.

Madam Deputy Speaker: Pursuant to the order made Wednesday, February 19, 1992, the House stands adjourned until Monday next at 11 a.m., pursuant to Standing order 24(1).

The House adjourned at 12.07 p.m..

HOUSE OF COMMONS

Monday, February 24, 1992

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

HEALTH

FAMILY PLANNING

The House resumed from Thursday, December 5, 1991, consideration of the motion of Ms. Black (p. 4331).

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on the motion of Ms. Black.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Call in the members.

And the division bells having rung:

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(5)(a), I have been requested by the chief opposition Whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 45(5)(a), the division on the question now before the House stands deferred until 3 p.m. later this day, at which time the bells to call in the members will be sounded for not more than 15 minutes.

SUSPENSION OF SITTING

The sitting of the House was suspended at 11.20 a.m.

SITTING RESUMED

The House resumed at 12 p.m.

GOVERNMENT ORDERS

[*English*]

PUBLIC SERVICE SUPERANNUATION ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that Bill C–55, an act to amend certain acts in relation to pensions and to enact the Special Retirement Arrangements Act and the Pension Benefits Division Act, be read the second time and referred to Legislative Committee G.

He said: Mr. Speaker, I am pleased to begin the debate on Bill C–55, an act to amend certain acts in relation to pensions and to enact the Special Retirement Arrangements Act and the Pension Benefits Division Act.

This bill is an important step in the evolution of the various pension plans in the federal Public Service. It responds to a number of long–standing concerns of plan members and fulfils the government's announced intention to ensure its pension programs observe the same income tax actuals as those imposed on other employers' pension plans.

I refer to this bill as a step in the evolution of our pension plans because there are still important issues relating to these programs that remain to be reviewed. Many hon. members will be aware of these.

There are concerns expressed by employees and pensioners about their role in the management of their plans and the investment of the pension funds, with the resulting effects on the return earned by the pension account.

[*Translation*]

The Auditor General has also suggested that these matters need further study and that the implications of the internal funding of Public Service pension arrangements be more fully assessed in terms of their impact on the management of public debt.

The members of the pension plans have also indicated that they would like to revisit many aspects of the design of these plans, and we agree that the adequacy and appropriateness of elements such as survivor benefits, disability benefits, co-ordination of these programs with the Canada and Quebec Pension Plans, vesting and portability should be reviewed in the context of the changes that have taken place in the work force, career patterns, and standards and practices of other employers since the current legislation was enacted by Parliament.

[*English*]

While these issues are obviously of great concern to the plan members, both employees and pensioners must recognize our responsibilities to the other stakeholders, the Canadian taxpayers. These important stakeholders expect us to ensure that the financial commitments we make to Public Service pension arrangements on their behalf are both reasonable and fair. It is important, therefore, as we look at the bill before us today, to bear in mind that the government considers these proposals as addressing only some of the most pressing problems with the pensions plans.

At the same time work is continuing on other issues that are also of concern but which may lead to more fundamental revisions to the nature of these programs.

[*Translation*]

I plan to meet with my advisory committee on the Public Service Superannuation Act very shortly to seek their views on critical issues related to pensions for the federal Public Service. The committee, which includes members from unions, senior management and the Federal Superannuates National Association, will be asked to advise me and the government on what they view as fair and appropriate solutions to long-term issues. Similar committees will be established for the Canadian Forces and RCMP Superannuation Acts under the proposals contained in Bill C-55.

Hon. members will be aware that the pension plan for members of Parliament has come under particular scrutiny by the public. The government will be re-examining all elements of this plan, including those features which have been criticized by some as too generous. In this examination we will welcome and take account of the views of hon. members who can personally attest to the importance of this element as part of their overall compensation package. Some of you have told me that the pension plan was a critical part of their decision to seek elected office.

At the same time I know that hon. members share my concern that some members of the public have criticized the current pension plan as too far out of line with general practice.

[*English*]

To be credible, a review of parliamentary pension arrangements must also provide for specific input from the public. I have already indicated that the views of those independent of Parliament will be actively solicited in this study.

Returning to the matter currently before this House, I would like to review the major provisions of the bill to indicate their impact and the government's rationale for the proposals.

Bill C-55, as its title suggests, would amend a number of existing statutes, principally the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the RCMP Superannuation Act and the Members of Parliament Retiring Allowances Act.

It also proposes the enactment of two new statutes, the first being a special retirement arrangements act which would permit revision to the existing plans as they apply to non-career diplomats and lieutenant-governors. As well, this act would provide for the establishment of a new type of plan for those covered under all those statutes except that applicable to members of Parliament.

[*Translation*]

The second new act proposed is the Pension Benefits Division Act dealing with the division of pension benefits on marriage breakdown. As well, there are related and consequential amendments required to the older Defence Services and RCMP Pension Continuation Acts and the Supplementary Retirement Benefits Act.

Essentially the proposed legislation would put in place measures of two general sorts: first, some proposed measures where the government has indicated for some time its wish to move forward and where further delay would cause continued difficulty for members of the plans and their families; and, second, a number of measures to ensure that federal public sector plans comply with requirements imposed on all pension plans by changes to the Income Tax Act in 1989 and given full effect by regulations promulgated in January of this year under that act.

[*English*]

These tax changes were designed to ensure that all Canadians would have equal opportunities to benefit from tax assistance for retirement savings, whether those savings are made individually or as a member of an employer sponsored pension plan.

• (1210)

Clearly it is the government's view that those plans which the federal government sponsors as employer ought to meet the same legislation which applies to others.

Accordingly, Bill C-55 proposes revisions to each of the pension statutes to ensure they provide for pension plans that can continue to be registered under the Income Tax Act for purposes of tax relief on employee contributions.

Achieving this tax compliance means that in all of the programs, some elements can no longer be provided as part of the registered pension plan.

A simple example of this would be the Income Tax Act provision limiting the maximum pension to be accrued under a pension plan to $1,722 for each year of plan membership. Under the federal programs, this limit is not specified. It is necessary to incorporate the limit in each of the statutes by limiting the level of salary on which benefits can be based.

[*Translation*]

Imposing these and other limits in accordance with tax law on the basic pension plan would result in reduced pension coverage for certain employees. However, given that it is not uncommon for other employers to provide for retirement income arrangements that go beyond the tax prescribed maximum, and given that fundamental review of these pension plans is still under way, the government has concluded that it is appropriate to continue the present pension arrangements. This would be accomplished in the same way as it is for employers in the private sector by providing for benefits outside those that can be provided under the registered pension plans through a separate arrangement permitted by the Income Tax Act.

For all plans but that for members of Parliament, this would be done by regulations to be made under the proposed new Special Retirement Arrangements Act. These regulations would permit the current pension plan to continue to provide for employee and employer contributions to be made to a new fund to be known as the Retirement Compensation Arrangements Account. For members of Parliament, the retirement compensation arrangement would be provided in the statute itself.

[*English*]

The term retirement compensation arrangement or RCA is used by the Income Tax Act with reference to funds established by an employer that are in the hands of a third party to provide for future retirement income for their employees.

While an employer and employees may claim a tax deduction for contributions to such a fund, the custodian of the fund must pay tax on all revenues to the fund. The tax is refundable as benefits are paid out of the plan. The effect is that benefits provided this way are more costly than those provided under the registered plan.

While the federal government is obviously not a tax paying employer, we felt it was important to provide the RC approach for benefits outside those which can be provided under the tax registered pension plan.

Why? First of all, it is felt essential that there be recognition in the national accounts of Canada of the future obligation to employees for their own pensions.

It is also considered important that the government not take advantage of its status as a non-taxable employer and as a government to provide employees with compensation at lower cost levels that would not be available to other employers.

The over-all effect of the bill's proposals would be to ensure that pension costs are fully known to Canadians and comparable to those of other employers who provide similar arrangements.

I realize that this discussion of the tax compliance initiative has been somewhat technical, but it is vital to understand that the government has every intention of complying with its own rules and that we are not taking advantage of our unique position as a non-taxing employer and the maker of the rules.

At the same time the members of these pension plans should be assured that the government is not using this requirement as an excuse to alter the retirement income arrangements they rely on.

[*Translation*]

There is another aspect of this bill which would apply to all the existing plans and to the new arrangements I have just described. The bill also proposes that all plans should henceforth be operated on a fully funded basis, that is the credits made to the various pension accounts in the form of ongoing employee and employer contributions should be at levels which, together with the anticipated future interest earnings, would be adequate to provide for the future benefits of the employees as they are being earned.

As part of this initiative, the contributions that are now being made to the supplementary retirement benefits account by employees and employer would henceforth be made to the relevant superannuation account. The balances in the supplementary retirement benefits account related to each of the pension plans would also be transferred to the main pension accounts. Basic pensions and indexing of pensions would be unchanged and would then be paid from this combined account.

[*English*]

Employee contribution rates would remain at the same level. The government would contribute at the level necessary to maintain full advance funding of accruing benefits.

Provision is also made that any existing or future unfunded liabilities associated with these plans would be recognized and amortized by additional government contributions.

The effect of these changes and the financial arrangements would be that all pension obligations relating to each sector would be recognized in one plan, thus consolidating the assets and obligations in respect of each group. This would clarify the financial situation of the programs and make sure they operate on a basis that is consistent with private sector standards. The full funding of all benefits would also help to reassure employees and pensioners about the security of their benefits.

[*Translation*]

Some other aspects of this bill that are of significant impact on the members of some or all plans would be viewed very positively by those who are affected. These are the changes that I have characterized as fairness improvements. They will surely be welcomed by those affected, and the government does not wish to delay them any longer.

The first of these relates to the provision in the Public Service Superannuation Act of the opportunity for persons employed on a part-time basis to benefit from pension coverage, if they choose. To date, Mr. Speaker, as you know, only those working 30 or more hours per week contribute. All employees who are employed to work more than 12 hours per week on average would now qualify to contribute.

Those who are so employed when the provision takes effect would have the option to elect not to join the plan, but future part-time appointees would be required to contribute.

[*English*]

This is a significant step in allowing individuals to reconcile their personal and work commitments without jeopardizing their long-term retirement situation. It would give effect to a government commitment in the white paper on PS 2000. The bill also proposes that plan members be allowed to elect to make additional contributions in order to count prior part-time employment as pensionable service if such employment occurred after 1980, in recognition of the government's long-standing commitment on this subject.

Another longstanding commitment that would be honoured in this legislation is the provision of an early retirement program for operational employees in the Correctional Service of Canada. I am sure most hon. members have been made aware of the need for this program by the efforts of the CSC employees. I am sure members would agree that work in this field is highly stressful and that it is important that individuals who choose such a career should know that there are alternatives available to them if they cannot continue their career for as long as might normally be possible in other lines of work.

It is also important both in terms of achieving the objectives of the correctional service system and ensuring public safety that this particular labour force have such flexibility. While the detailed terms of the program are to be specified by regulation, and this would be done only after consultation with representatives of the employees concerned, I would expect that it would be similar to the voluntary early retirement provisions that are currently found in the Public Service Superannuation Act for air traffic controllers.

• (1220)

In essence, that program permits individuals to choose to retire at age 50 or later with 25 or more years of service and receive an unreduced pension with indexing payable from age 60. Like air traffic controllers, CFC employees covered by the program would be required, of course, to make additional contributions toward these benefits.

[*Translation*]

Another aspect of the Public Service plan and the plans of the Canadian Forces and RCMP has been criticized by plan members as imposing hardship. That is the provisions of the plans dealing with pension coverage during leave without pay. While most plan members would agree that provisions which allow pension rights to be accumulated in respect of leave without pay are a positive benefit, some find unduly onerous the requirement that the contributions owing for such periods must be repaid beginning immediately on return to duty.

This is especially true if the employee is required to contribute at double the rate for the period. The bill proposes that an employee be allowed to choose whether or not to count periods of leave without pay in excess of three months. At the same time it would allow an individual who initially chooses not to count the period an opportunity later to elect to reinstate the period as pensionable service. Again the bill seeks to recognize that additional flexibility for plan members is necessary to permit them to manage their personal affairs.

I might mention too that this provision, like that for coverage of part-time employees, would particularly benefit women who continue to be the employees with the greatest need for room to balance family and career commitments. Many women, for example, take advantage of extended periods of leave without pay for the purpose of caring for young children or for elders, and this provision would enhance their ability to return to work without undue financial hardship.

[*English*]

I would draw hon. members' attention to two other provisions affecting some members of our Canadian Forces and the RCMP.

One of these is the addition of the provision in the Canadian Forces Superannuation Act that would extend pension coverage to a full-time member of the reserve force who had previously left the regular forces without entitlement to a pension. Pension contribution would commence after one year of reserve service and the individual would be permitted to elect to count prior service in the forces of full-time reserve. Again the proposal is directed at meeting the needs of individuals to meet their own career and personal goals.

In the case of the RCMP, Bill C-55 includes provisions which would standardize the age and service requirements for voluntary retirement of officers with those for non-officers. To date, officers must have 30 years of service and be age 55 or have 35 years service to retire without a pension penalty. Non-officers may retire after 25 years of service. Clearly, this existing distinction could act as a disincentive for an RCMP member of long service to accept a commission as an officer.

These are the major proposals of the bill which affect members of the pension plans as employees, but plan members also see these plans as a critical part of the over-all financial planning package for their unique family situation.

I would to review now some of the important proposals which affect this aspect of the plan.

Of the broadest impact would be changes to the supplementary death benefit provisions which are found in part II of the current Public Service Superannuation and Canadian Forces Superannuation Acts. This is essentially a form of life insurance for the members of these plans which provides a lump sum payment to their designated beneficiary or their estate upon death. The benefit is now set at a level essentially equal to annual salary although benefits decline by 10 per cent per annum from age 60. From age 65, a paid up benefit of $500 is provided and after age 70 that is the only benefit payable.

For some time now concern has been expressed by plan members and that concern is shared by the government about the growing reserves in the death benefit accounts established for those two plans. It has been concluded that action should be taken as quickly as possible to address this situation by making significant improvements in the level of benefits payable under the plans.

Accordingly, the bill provides that coverage for active employees be doubled and the paid up benefit be increased from $500 to $5,000.

I am pleased to advise that these improvements would be financed entirely from reserves in the plans and there will consequently be no increase in costs to participants or taxpayers. This change seems to be a fair way to deal with the need for action on this program while awaiting the results of further review of the over-all plan design and its inter-relationship with survivor benefits provided elsewhere under the pension plan.

[*Translation*]

In another area touching on the importance of pension plan coverage as a family financial planning matter, hon. members should note that this bill would also enact a new statute called the Pension Benefits Division Act.

For some years now provincial family law has been evolving on the subject of the inclusion of entitlements under employer sponsored pension plans as a part of the family assets accrued during marriage. In most jurisdictions the value of pension plan accruals is now taken into account in arriving at decisions about the division of assets on marriage breakdown. In most jurisdictions provincial pension standards legislation requires plan sponsors to recognize and act on court orders or legal separation agreements which specify a division of pension assets.

[*English*]

Indeed the Federal Pension Benefits Standards Act requires that employer sponsored plans subject to that act recognize such orders or agreement. The federal pension statutes, which would be amended by Bill C-55, are not currently subject to any of this legislation and at present no such request can be honoured. This has clearly led to considerable difficulty for some plan members and their spouses in settling their personal affairs since pension values can be a large part of the total family assets.

The government believes its pension plans should be able to accommodate such situations. A method to do so is set out in the proposed new pension benefits division act. This act would allow the legal or common law spouse access to up to 50 per cent of the value of the pension benefits accrued during the period specified in the court order or agreement. This would be done by having that value transferred to another retirement savings vehicle or in the case of a retirement compensation arrangement or RCA directly to the spouse.

The act, together with appropriate regulations, would provide that an offsetting reduction could then be made in the plan member's pension under the plan.

[*Translation*]

I would particularly like to draw to hon. members' attention one other proposal in Bill C-55 which would apply to all plans. Representations have been made to me and, I am sure, to other hon. members, that a change should be made to the current provisions of the pension statutes which preclude payment of a survivor's pension to a person who was not the spouse of the plan member when the member retired.

I sympathize with the desire of pensioners to ensure the financial security of those they marry after retirement. However, the government does not feel it appropriate to extend the current survivor arrangements so that an additional pension liability of this sort is automatically assumed by the plan. Nevertheless, this possibility will be considered further as part of the broader review exercise which will include study of the current survivor benefit arrangements in general.

• (1230)

In the meantime, and in conclusion, I am pleased to point out that Bill C-55 would allow pensioners under all of the plans who are in this situation an opportunity to provide for survivor benefits. In effect, individuals may elect to reduce their own pension in order to provide for benefits to a person whom they marry after retirement. For example, for a 60-year old man who married a woman three years younger than himself, a reduction of 15 per cent in his pension would provide a widow's pension of 50 per cent in the event of his death.

[*English*]

In my remarks I have tried to touch on the major initiatives to be found in this bill and explain why the government feels it is necessary to move on these matters at this time.

There are, of course, other aspects of the bill of smaller impact in terms of the numbers affected. These will be discussed as we move to a more detailed consideration.

I would like to end my remarks today by reminding hon. members that Bill C-55 represents only a step in the Public Service pension reform process.

I expect to have the opportunity to bring forward broader and more fundamental legislation on this subject at a later date, if necessary. I will do so only after serious and detailed study of the issues and after consultation with all those who are affected or have an interest.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I notice the hon. minister's comments that he wants to bring the pensions in the public sector of Canada into line with the same standards applied to other pension plans. All I can say is that it has taken an awfully long time to make one tentative step forward.

It is always a pleasure to get up and say when the government is doing something right. In this particular bill it is doing a few small things right.

However, the government is so unaccustomed to it, it is so tentative about it, that the best it can do is take one small step and get a little toe into the puddle of doing things the right way.

It is really quite unacceptable. Equality is an absolute term. It is not something we can give people in little bits and pieces as the mood moves us. Equality is a right.

It is appropriate in this year, 10 years after the adoption of the Charter of Rights and Freedoms that the government for the first time, with one small exception is making a step toward equality and fairness in its pension plan.

Even before the charter was applied to pension considerations an all-party parliamentary committee in 1983 made a major report proposing changes similar to or at least including those which are before the House today.

In 1985 we had the report on *Equality For All* that proposed exactly the same changes. That same year the government amended the Pension Benefits Standards Act that applies to all federally regulated employers to implement many of those changes to bring pension plans across Canada into conformity with the Charter of Rights and Freedoms.

Not too long after, it made similar amendments to the Canada Pension Plan paying attention to the parliamentary committee on pension reform and paying attention to people's rights under the charter.

But it has taken a full decade before it will even take a first tentative step toward applying the charter to its own pension plans.

We see this in a number of fields. We certainly see it in employment equity where the government passes legislation that says that companies that are regulated by the federal government or do business with the federal government have to be equal opportunity employers. Until now the government has refused to bring itself under the same rules and regulations. We now have major business organizations asking that it do exactly that, that it not apply rules to others that it is not prepared to live by itself.

We see the government talking about pay equity but refusing to implement it, and in fact fighting it through the courts. We have a constant pattern of do as I say, not do as I do.

Again this morning the minister has talked about a process for fundamental review of the pension plan. He knows its inadequacies perhaps better than I do. He knows the ways in which it does not conform with the same standards required of other pension plans.

The words he said this morning about consultation and a thorough review with all the stakeholders might be encouraging, except we have heard them often before from the President of Treasury Board. Since 1987 the previous President of Treasury Board has promised exactly the same thing, saying that Public Service employees would not have to wait long for equality, would not have to wait long for a fair rate of return on their pensions, would not have to wait long for a say in how their pension plans would be managed, among other things. Yet here we are five years later and they are still waiting.

I hope the President of Treasury Board will not blame me or a quarter of a million Public Service employees if we do not hold our breath. His announcement was made in December that this review would happen, and just this past week before the public accounts committee the person who is to be responsible for that review admitted that no, they had not talked to any of the unions yet and nothing had been done to get the process started.

We will deal with what is before us in the bill but recognize that it is a very small, tentative and inadequate step toward even conformity with the Charter of Rights and Freedoms. A decade after the adoption of the charter I frankly think that is a little bit disgraceful.

I think it is also brought about by the fact that there happen to be a number of court cases under way. Even with this legislation in front of us, the government has chosen not to deal with all the issues that are in those cases in front of the Supreme Court but rather has chosen to fight equality in the courts on pension matters.

Let me deal with some of the specific issues in the bill that have been recommended, as I said over and over again, as changes to be made to this pension plan, changes which have been made and which are required of private sector companies that have pension plans but which the government has chosen not to impose upon itself.

The minister has spoken very briefly about a change to the provisions with respect to divorce and separated spouses. One way of doing that is indeed, as this bill proposes, to allow for a division of the assets in the pension fund at the time of a separation or divorce. However, that is far from dealing with all the issues involved and it is far from meeting the standards required of other pension plans. In fact we are still left with the situation where Treasury Board has the discretion, believe it or not, to deem a spouse to be dead just because they happen to be separated and Treasury Board has decided they are not entitled to a share of pension.

The bill requires court orders. I hope the minister is seeking some expert outside advice on how that affects the equality of women and their entitlement to a fair share of family assets on divorce and marriage breakdown. Right now he has a case before the courts. He had it in his office and was able to deal with it a number of months ago and chose not to honour a court order for splitting of pension benefits. I hope he will forgive many women, who were married for 25, 30, 35 or more years while the pension was being accumulated and now have no share in that pension, a bit of skepticism about why this very narrow concession to their interest is being made and why the government is not going all the way as it has required other pension plans to do in allowing them simply a prorated share of the pension that they helped earn.

• (1240)

This is a complex issue and many more points need to be dealt with in conjunction with it. I certainly hope that we are going to have time at the legislative committee to do that and that there is not going to be, again, a requirement to report back in an unreasonably short period of time.

I also hope that perhaps the minister will look at splitting the equality provisions in this bill. I think it is really quite unconscionable to put equality into a bill along with a whole lot of other technical amendments that are required because of changes to the Income Tax Act and perhaps require that people who have been waiting a decade for equality will wait even longer while we go through all the implications of the Income Tax Act for other whole sections of the act that are unrelated to their needs and to their rights.

I would like to touch on a couple of other cases where the government has been much more generous with its legislated requirements for other pension plans than it is prepared to be for its own employees and their spouses, survivors and dependants.

The government knows full well that the vast majority of those elderly living in poverty are women and that one of the prime reasons for that is the lack of access to pension benefits.

Even a spouse of a pensioner who has contributed, usually through her work in the home for many years, to the accumulation of that pension now gets only 50 per cent of the pension under the Public Service plan. Yet the government, seven years ago, required private sector employers to provide 60 per cent survivor benefits.

Why does the government think that a company, whether it is running a retail store, a car dealership or a steel foundry can provide 60 per cent survivor benefits but the Government of Canada cannot?

As I said, there is a number of equality issues involved in this bill. There are a number of equality issues that should be in this bill that are not. I can only commend the minister on the provision with respect to part-time employees. As he knows full well, that applies not only largely to women but is also an important element of allowing persons with disabilities to remain involved in the work force as long as and to the extent possible and continue to receive all the benefits of being employed.

I have been speaking about the Public Service plan. Of course, as the minister has said, this bill applies also to Armed Forces and RCMP plans. Those have a number of specific provisions that are not being addressed in this bill, but again we have a promise that sometime in the future they will be addressed.

I think the minister is well aware of the concerns of Armed Forces pensioners about early retirement which is often not a matter of choice and about their pensions which for many years remain unindexed so that the pensioners drop into poverty well before their pensions start to have any degree of protection against inflation.

There are a number of other issues as well that the bill does not deal with which relate certainly to part-time employees and people who are in and out of the work force more often. We know that they are more often women than men, that this is a major contributor to the poverty of women, and that has to do with how soon one is entitled to the contributions one has made to that pension plan, known as vesting.

With an economy that is changing dramatically and rapidly, the question of portability and when one is able to transfer one's pension to another employer become very important issues. These are issues that are not dealt with in this bill.

In summary, there are equality issues that are barely touched in this bill. I do believe it is unconscionable after a decade of the charter that the government would impose on other employers the obligation to be a fair employer with respect to pension matters and not take that responsibility unto itself. It is part of the cynicism that is rampant in the country right now; again the attitude of do as I say but there are special rules for me and I do not have to live by everybody else's rules.

I want to return to the next phase because the minister has promised a review. As I have said, we have had those promises repeatedly over the years. I really am not expecting a great deal, especially knowing that it was announced in December and still has not started.

The minister is aware as well that government is promoting labour-management partnerships to the tune of $1.4 million in expenditure of public funds. Yet I do not believe there has been consultation on this bill before it came forward. I am not sure that there is going to be consultation in the review process. If there is, it certainly has not started yet. In fact the minister's own summary of what is happening next says that they will take into account views expressed by others. Taking into account is not the same as consulting, and one has to ask the question: "Whose money is this anyway?"

It is interesting when we look back on the history of the Public Service Pension Plan, because every year since its inception until this year it has paid more into government coffers than it has taken out. As recently as 1989, I believe, that amount was $400 million in excess of contributions over pay-out. Every year since the plan

was instituted in the mid-1950s it has contributed to reducing the tax requirements of the government and reducing the borrowing requirements of the government. The Public Service Pension Plan alone in that peak year was responsible for reducing the public deficit of Canada by $400 million.

I have spoken in this House often about the management record of the government, which I do not think is terribly good, and the pension plan again shows that. Whereas in 1989 there was that substantial surplus of contributions over payments out of the pension plan, there has been a dramatic plunge; the situation is reversed. For the first time ever the pension plan has paid out more than it has taken in. That means the government is not getting the benefit of a well managed fund which is helping to reduce the deficit but in fact is now having to pay out of public coffers toward the viability of the pension plan.

There are a number of reasons for this. The Auditor General, in last year's report, was very clear about the irresponsibility of the government in how it manages, how it reports, and how it accounts for the management of this fund. So serious are those charges that the public accounts committee has now undertaken a thorough review. The minister has not indicated in any way how his review is going to take account of those complaints of the Auditor General, but the Auditor General said: "If this were a well managed pension fund, invested as private sector pension funds are, it would be generating a far greater rate of return than it does". He criticized the lack of accountability in how the government borrows from this fund and reports to Parliament. He made it clear that Parliament has no way of holding the government accountable based on the current reporting procedures for its borrowing, all of which are debt and deficit related.

One only needs to read the Auditor General's report to realize why in a broader sense we now have double the deficit and double the debt we had when this government took office.

The minister has spoken about the interests of Canadian taxpayers. The interests of Canadian taxpayers is first and foremost in having whatever funds are in the hands of the government well managed and well reported so that people know how their money is being used, how it is being spent, how it is being lent, and so on. As well, the Auditor General had a number of things to say about management, pointing out again that the government has required all private sector employers to have employees involved in the management of what is after all their fund, yet the government has refused repeatedly to do that. I want to point out one more thing. This bill will be in committee very shortly. Naturally we all want to see positive moves toward equality in the bill implemented as soon as possible.

• (1250)

I ask the minister to consider taking those provisions out of this bill, allowing them to be reported back into the House so that a somewhat shameful record of not implementing equality for public sector pensioners for a decade can at least start to be undone.

Dealing with a bill of this magnitude is also going to require understanding the economic implications for the pension fund of the measures we will be asked to approve.

I would like to point out again to the minister that I have written to him requesting copies of any studies that have been done which show the implications for the pension fund of a number of the measures contained in this bill. We have not been provided with those studies, if they have been done. I certainly hope we do not have measures before us without the ability to define what the implications are going to be. I would ask that he provide those as quickly as possible because essential and long overdue changes in this bill can be put into legislation quickly.

I urge him to be most generous when this bill is in committee, in terms of considering amendments that would move a little further along to the equality for women particularly, persons with disabilities who are affected by the provisions of this bill thought they had won 10 years ago but are still battling for in the courts.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I rise to speak at second reading of this bill and to clarify that this bill deals with public sector pensions as well as those of members of Parliament that the minister spoke to earlier.

In general my party and I support the provisions of the bill. It will go to committee after second reading and we will be proposing amendments to the bill. We support those provisions related to the non-political public sector part of the bill. We will not vote against the bill at second reading because we want to get it into committee and have some of the changes that the previous speaker alluded to that are so important, as well as have a full discussion and hear witnesses from various representatives and interested parties.

New Democrats have certainly led the way in promoting strong and progressive pension plans for public sector workers. We have led the way in establishing and improving pensions for all Canadians. One among us, I believe, deserves special mention, our friend Stanley Knowles who devoted so much of his career to the cause of public pensions and a dignified retirement for all Canadians.

Public sector pensions are not what I want to speak to today. There will be ample opportunity in committee to hear witnesses and to make appropriate amendments.

I think it is long overdue that we raise the question of pensions of members of this House, pensions that at this time mean that after six years of service, members of this House receive a pension regardless of age or whether or not they move on to employment elsewhere in the federal government.

In short, I believe that the time has come to recognize that those pensions must be brought in line with the general workforce. The time has come to bring pensions for members of Parliament into line with the pensions of other Canadians. What is the rationale for the present situation?

[*Translation*]

It is partly because politicians are very aware of the precarious nature of a political career.

Most women and men who enter politics do so at great personal cost. They risk their career and at times give up a much higher salary. Very often they face an uncertain future.

One cannot know what will happen at the end of a parliamentary career, whether it is given up willingly or not. I understand that. New Democrats understand that.

In the past the transition for us NDP members was often much more difficult than it was for those from the other political parties.

We know that people who choose this life make great sacrifices. But I would like to tell you, and I say clearly, that it does not justify a pension plan like the one that exists now.

We need to have a pension plan like most workers have. Nothing in all that justifies receiving a generous pension at the same time as another public sector salary.

[*English*]

This is a subject of great intention and differing points of view in the public and I suspect in this House. There are transition difficulties facing parliamentarians when their parliamentary careers voluntarily or involuntarily are brought to an end. I do not believe the way to deal with that is through the pension plan nor through simply assuring that people will have a pension for life after six years of service regardless of their age. There are other ways to deal with this, as it is dealt with in the public domain, and that is through a severance package which is geared to helping those who need to make that transition. It is of sufficient scope to deal with some of those prices of public life.

I do not think we can build a rationale based on the sacrifices we make. We all chose this career. We all ran for political life because we wanted to serve our country. I do not believe this makes us special. It means we have chosen this career because we believe on all sides of this House that we have something to contribute to public life. There are many Canadians who contribute to public life; many do it voluntarily. Many put themselves on the line by expressing their views publicly. There is no doubt that parliamentarians, because we fight for our beliefs and we do so publicly, are subject to closer scrutiny by prospective employers.

It is the union workers who put their views on the line and can be fired from the company. There have been examples, of course, in the public sector, where members have expressed their views and have put their future on the line. We are not alone in this.

We may have some special problems but we are not alone. In itself this is not a good enough rationale in my view. I remind members of this House there is no other Canadian in this country who receives a pension after six years.

The autoworkers, whose plant shut down just today, certainly will not have that kind of pension. The fish plant workers who saw their jobs disappear last week will not have that kind of pension. None of these Canadians, nor the millions of others in a similar position, can count on a plan such as our own.

It is time we came to grips with this in this House. Since the last legislation was passed, there have been a variety of changes made to assist members of Parliament. Some of them should go further in making that transition.

We are accountable for the public trust. We are accountable to those who elected us to make sure that what we support is fair, not less but fair, and that each and every one of us can stand before the electorate of Canada and say that we have put in place a fair system.

I suppose if we are prepared to fight for a pension scheme such as we have for all Canadians, this side of the House would be very happy to support that.

• (1300)

We would be happy to support a pension plan that would be publicly managed so that people could have true portability and could have pension plans that truly serve the interests of all Canadians. But that is not what is at issue in this bill and I do not believe that we can ignore, as parliamentarians, that this bill deals with parliamentary pensions and members of Parliament pensions.

There are many things that make it more difficult for members of Parliament, but any one of us who speaks to our political staff would find that there are the same arguments, because they have chosen a political party, they have stated their views as well and they too would have a difficult time. They do not have a pension similar to what we have.

I believe that the essence of democracy is that we work for things in this House to make it more representative; things like affirmative action so we have more women in this House, we have more visible minorities and we have more aboriginal people.

I believe we work for electoral reform so that people with disabilities and people on low income can be assisted to run for this House of Commons and Parliament and participate in the parliamentary system. In that way we will have better decisions, a better Parliament and a fairer Parliament.

I do not believe that we can simply rationalize the kind of provisions that have been made for us when we look at what is happening to Canadians across this country.

Therefore, I want to give notice that while we will be pursuing amendments in all aspects of this bill, I will be pursuing amendments relating to the age of eligibility for members of Parliament pensions so that eligibility is brought in line with the general public and private sector and amendments that would restrict a former member of Parliament from collecting an MP pension cheque while having also a federal government job, commonly known as double dipping.

Let me also suggest that I believe the bill before us should be split so that the issues of public sector pensions and those of MPs can be dealt with separately. I think this would be a fairer thing to do.

In referring to members of Parliament pensions in this bill, the minister said that the government was intending to study this. There have been a number of studies back in 1969 and I am sure many others that have been done over the years. Let me say to the minister that we have now the opportunity to take some steps into making the benefits that we have in line with those of the general Canadian public.

I also believe that the time has come to establish a non-partisan, independent commission to deal with the issues of MP pensions; not ex-members of Parliament, as has been the case before, as many of the provinces have, to look at the whole issue of members of Parliament pensions.

Having said that, I do believe that we have an opportunity to do something now that is logical, that is consistent with the public domain and that just simply is common sense.

I believe we can make changes that are fair and certainly do not require extensive study.

[*Translation*]

In 1992 when people are being asked to make one sacrifice after another, when social programs are being cut, when times are tough, members of Parliament cannot in good conscience continue to advocate for themselves a pension plan that other people can only dream of.

[*English*]

The time has come for us to address this directly, to address it in committee after the passing of second reading and to be no more generous than what we advocate for other Canadians. We now have an opportunity to make a step forward. We can set a new direction here. We can demonstrate to Canadians a new kind of politics where fairness is our guiding principle.

I hope that the minister will be open to these issues and that they will have a fair and open debate in committee. I want to assure the minister that we want to see this bill go forward because we believe that the minister has made some positive proposals for public sector workers. I also say to the minister that now is the time to address the other pressing issue and that is of our own benefits.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I listened with great attention to the discourse of the hon. member for Yukon about double dipping. I wonder if triple dipping is equally wrong.

If an individual was a federal appointee, had been a federal MP and had been a member of the Ontario legislature and in each case for exactly the amount of time required to receive a pension, is that wrong as well? If so, has she phoned Mr. Deans to tell him about it?

Ms. McLaughlin: Mr. Speaker, there are many ex-members of Parliament, I am sure quite legally and under the rules that exist, as well as the Senate and the bench who are following what the procedure has been.

I am not going to phone anybody. Why should I phone anybody? I am asking that every member in this House tells their electors that from now on it is not okay for MPs to have a pension that no other Canadian has. That is what I am going to do.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, the remarks of the Leader of the New Democratic Party are shared by many people in this country at this particular moment. As she has stated so often, all members of Parliament and all legislatures are held in disrepute and there is a terrible lack of trust.

I am trying to understand where the member is coming from. If someone served as a member of Parliament for eight or ten years and wanted to continue serving the Government of Canada in a capacity other than an elected member, and if they were to forgo that pension option but would work somewhere in the Public Service, would the hon. member consider that a fair exchange rather than taking up the pension? At least that experience and that commitment to public life could be exercised in some other part of the Public Service somewhere in the country or around the world? Would the hon. member consider that a worth-while option as a counter proposal?

Ms. McLaughlin: Mr. Speaker, I am not suggesting that the experience that members of Parliament or indeed senators have would not be valuable in various domains of public service and paid public service. I would not suggest that at all.

All I am saying is it is not very logical to most Canadians, and quite frankly not very logical to me, that if you have a public sector job paid for by the taxpayers that you are at the same time receiving a pension. Of course, you would receive the pension upon retirement. No one is suggesting that not be the case.

Of course I think members of Parliament have much to offer to public life when they are no longer sitting members of Parliament.

Mr. Boudria: Mr. Speaker, I have to be very clear. Is double dipping right or wrong? It was wrong a few minutes ago when it is was part of the prepared text. In answer to a question it seemed to be okay.

I want it clear. Is double dipping or triple dipping right or wrong? I think parliamentarians and Canadians have a right to know.

Perhaps the member could indicate to us as well, given her vast knowledge of this topic, whether she thinks that contributions made to the fund by MPs are in a deficit position at the present time and, if so, by how much?

Ms. McLaughlin: Mr. Speaker, it is really interesting to me that the Liberal Party seems to want to justify that you can get both a pay cheque and a pension. I think this is great.

What I want to say is that we are making a moral judgment here. I am saying it is time to change the law and those who are currently doing that would be subject to the changed law. It is as simple as that. You get a federal government pay cheque or you get a pension.

In terms of the pension fund, as the member well knows, the pension fund itself is not in deficit but there is a $144 million unfunded liability, but that is not the issue.

• (1310)

That is something we can discuss in committee and I am sure the government will have proposals. The issue is whether members of Parliament in this House are prepared to stand up and say: "It is time for a change in this plan. We want to make improvements". This is not criticizing our colleagues of any political party. My predecessor from the Yukon, I am sure, has a pension from the federal government and also has a federal government job. I do not criticize my predecessor, even though he is from the Tory Party, for doing that. What I am saying is that it is time for us to stand up and make some changes now, not simply to criticize.

Mr. Mills: Mr. Speaker, I am trying very hard to understand where the hon. member is coming from here. There are tens of thousands of people in police forces and fire departments across this country who put in their time and their years and sometimes their pensions mature when they are in their early fifties or sometimes late forties. Many of these, what I would consider to be pretty healthy pensions, tend to come from organizations that tend to be very well organized, mostly trade union operations. Is the member suggesting that the double dipping she refers to, which should not be allowed, I understand, should also apply to those public sector operations as well or is she just saying parliamentarians?

Ms. McLaughlin: Mr. Speaker, let me make it perfectly clear. This is referring to a bill which is before us, which includes MPs' pensions. The amendments which I suggest we should make refer to MPs' pensions and this in fact is an opportunity for us to deal with those. One of those issues is a federal government pay cheque or pension or both. I am referring simply to MPs' pensions at this time.

Hon. John McDermid (Minister of State (Finance and Privatization)): I have a short question for the leader. I found her speech to be most interesting and challenging.

I want to ask her this: There are a number of pension plans in Canada that are what we refer to as offside. There is the constabulary in Newfoundland, the teachers in Newfoundland and various other groups throughout Canada who have a special job, such as prison guards and so on and so forth, that have special features to their pensions. What the hon. member is referring to today are the pensions of members of Parliament to bring them in line with other pensions.

Is she suggesting at the same time that these other groups in our society who have special pension plans and abide by the law as amended should also be brought in line to conform with the *status quo* across Canada of the same pension for everyone?

Ms. McLaughlin: Mr. Speaker, I realize that hon. members would like to do anything to avoid addressing the issue of MPs' pensions. I will respond to the member because he asks a good question. I am making proposals on MPs' pensions and I am suggesting, as I suggested in my remarks, that we should look at a non-partisan committee to look at all of the details of the bill, that there are certain things we could take action on now. The hon. member makes certain points about other kinds of pension plans. That is why I feel what is essential to this is that we do have a non-partisan committee, not of ex-MPs as we have done before, to study this. I am also saying, dealing with members of Parliament pensions, there are certain measures we can take now.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to Legislative Committee G.

FARM PRODUCTS MARKETING AGENCIES ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 19, consideration of the motion of Mr. McKnight that Bill C-54, an act to amend the Farm Products Marketing Agencies Act and other acts in consequence thereof be read the second time and referred to the Standing committee on Agriculture.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am very pleased to be able to make some comments following some of the comments made by my colleagues last week on this piece of legislation.

As you have heard, the amendments that provide for national check-offs on agrifood commodities are a long sought after and effective technique to enable the Canadian agrifood industry to become more responsible for its own well-being.

This is not a government devised system imposed on the agrifood industry. Many and various sectors within the industry have called upon the government to provide this system for some time.

I note that consultations within these sectors and with the provinces have shown broad support for the check-off system and the legislative means by which that system would operate.

The producers, processors and importers of agricultural commodities do not supply management. That is, all commodities except poultry, eggs and dairy products have never had the legislative means to impose a mandatory national levy on themselves.

Such means have existed at the provincial levels, but any effort to fund such competition enhancing promotion and research at the national level has depended on voluntary participation by members of any agricultural sector. Since it is voluntary, it has not been sufficiently widespread nor has it offered the long-term stability necessary to sustain effective programs.

In addition, there has been no federal legislation that permitted the collection of national check-offs on imports as well as domestic agricultural products. In order to enact such a national check-off system that would include imports, the government had two choices.

It was decided that the amendment option was the best route for a number of reasons. Amending the Farm Products Marketing Agencies Act in essence means some straightforward changes to extend many provisions to cover imports.

Simply put, it already contained most of the legislative provisions needed for national check-offs. Therefore, it provided a basis for putting the check-off provisions into law that met the tests of simplicity, speed and efficiency.

Taking this route meant extending a faster and simpler helping hand to an agrifood industry that is determined to become more competitive and self-reliant.

This government is committed to those goals. Heightened competitiveness, especially in the new international trading environment, translates directly into more and better jobs for Canadians.

As you know the Marketing Agencies Act had a somewhat tumultuous birth back in the early 1970s. It was the first federal legislation that provided for the establishment of supply management systems for agricultural commodities.

As such, it provoked a great deal of debate and discussion within the House of Commons, the agrifood industry and the general population. As a result, this act became synonymous with supply management in the public mind, but as the Minister of Agriculture has pointed out it is important that we all understand right now that amending this act to provide for national check-offs in no way ties check-offs to supply management. These amendments will in no way weaken the existing supply management provisions contained in the act. Conversely the amendments do not in any way represent the first step towards supply management for those commodities not currently under it.

• (1320)

To keep this absolutely clear, we have taken great care with the wording of the amendments. The new sections dealing with national check-offs do not simply use the term, marketing plan, which has in many peoples' minds come to mean supply management. Instead, the check-off amendments specifically refer to the market promotion and research plan that better describes the mandate of what check-offs would pay for. It allows for no confusion with the provisions covering supply managed commodities.

Perhaps the best approach to demonstrating the together but apart nature of these two streams of the amended act would be to cite a specific example of how a check-off program might work.

This example comes from a number of draft preliminary proposals that groups within the agrifood industry provided during the consultation preceding the drafting of these amendments.

Let me say that by citing this particular example, I am by no means committing the proponents or ourselves to following their preliminary plan to the letter.

For instance, the Canadian Horticultural Council and the Canadian Produce Marketing Association represent every element of the production and marketing of fresh fruit and vegetables in Canada.

These two organizations have undertaken, through the Fresh for Flavour Foundation, to promote the consumption of fresh fruit and vegetables. Funding for the foundation has been on a voluntary basis and unfortunately it has not been sufficient to pay for an adequate promotional program.

The problem has been an inequitable sharing of the costs among industry and trade members. As a result, the Horticultural Council and the Produce Marketing Association joined the industry call for a national check-off system.

Money raised through the check-offs would be used to promote the sale of fresh produce through programs for food, health and safety, educational activities, product and consumer research, and surveys of special group needs. There would be enough funds to pay for continuous promotional activities and other marketing enhancements.

The proposed check-off on fresh fruit and vegetables would be one-fifth of one per cent of the value of the product.

Based on 1988 sales of $2.2 billion, this rate would have raised $4.4 million. The check-off would be applied against produce being sold in the province in which it was grown, produce sold in other provinces and any produce imported from other countries. It would not be assessed on produce destined for processors or on processed imports.

Let us come back briefly to the $4.4 million that a national check-off would have raised in one year. That is a healthy sum to use in the promotion and marketing of fresh produce and to pay for product and consumer research to supplement that being done by government.

Many voices from coast to coast in the agrifood industry have told us they desire more autonomy. Like all entrepreneurs, they want to feel and be responsible for their own destiny. Having the dollars to pay for those important marketing and research activities is an essential part of that independence, and one we all welcome. Having the right under federal law to choose to collect that money from themselves is just as important.

The check-off amendments provide that right, that choice and that potential for more self-sufficiency.

Let me emphasize that this enabling legislation will have little or no impact on food prices for Canadians. We all know consumers are becoming even more price conscious when they do their grocery shopping. It might be easy for people to look quickly at the idea of national check-off for the agricultural products and leap to the wrong conclusion that these changes to the law will mean producers will charge more, and the consumer would end up footing the bill.

This is simply not the case. Using the example of fresh fruit and vegetables, the proposed check-off is only one-fifth of one per cent of the value of the product which would be an insignificant proportion of retail sales. We should not worry that the check-offs would mean hardship at the grocery store, or that there would be price hikes that would provoke more cross-border shopping. On the contrary, better efficiency gained through check-off funded research will ultimately benefit Canadian consumers, as will the generation of consumer information that will come and be one of the prime results of the check-off program.

Let me conclude by saying the amendments that would create the new Farm Products Agencies Act represent a win-win combination for the agrifood industry and our consumers. We believe this legislation will provide additional confidence to the agricultural sectors that we are all looking for. We urge the House to permit this legislation to move as rapidly as possible, and we ask the co-operation of all members of the House of Commons.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I welcome the parliamentary secretary's intervention. We go back together in this House to 1979 and I have learned that he is a very successful farmer, as well as a successful parliamentarian.

I have some facts here that disturb me and I wonder if the parliamentary secretary could shed some light on them. I know that self-sufficiency in food production is the country's best security. That applies not only to Canada but to all countries that have high food production. Yet in 1989, Canada imported more farm products than it exported. Although Canada is a net exporter of agricultural products, agricultural imports have increased by 17.5 per cent throughout the eighties, while exports rose only by 2.2 per cent.

The parliamentary secretary is a successful farmer on the government side, and they are bringing in legislation. We have had the debates around the GATT and clarification of article XI. Could the parliamentary secretary share with this House why there is this discrepancy? Why are exports not keeping up with the imports?

Here we are, a country which is the bread basket of the world, and yet we are importing more food than we are exporting. I wonder if the parliamentary secretary could address that. Will this bill help us increase our exports and reduce our imports?

Mr. Cardiff: Mr. Speaker, I am very pleased to be able to respond to my colleague and as he mentioned, we do go back some years in this House of Commons. We have served on various committees together which we think were very beneficial to the legislation we have today.

But the hon. member speaks of imports and exports. We have to recognise that in the last 10 or 12 years, very many changes have taken place in the world marketing of not only agricultural products but of all trade and trade goods. In particular, consumer demand has played a role in some of the products coming into this country. Consumers are anxious to have fresh vegetables and produce available on a year-round basis. Years ago when more women worked in the home, more homemakers had gardens and preserved vegetables, et cetera, in the fall months. Most people's habits have changed since then and as a result there are probably more imports at certain times of the year. But also as you have said there has been an increase in exports.

Let me go back to about 1985 when I don't think any of us envisioned the trade wars that were going to take place, in particular between the United States and the European community. That brings us up to the GATT talks. We all know we have a difficult time competing against those countries, but I think for a population the size of Canada's we have done extremely well in maintaining support for our farmers, even though those trade wars have been taking place. Our adamant and consolidated position at this Uruguay Round of GATT talks has been developed by the stakeholders and the federal and provincial governments. We hope it will enable us to maintain a better livelihood and the confidence that our farm sector needs.

The member asked if this legislation would help agriculture in the future. I believe it will, because up until now any imported product did not contribute in any way to the advertisement or promotion of anything that was imported. I use beef as an example. If beef is imported into this country, and we know there are times when it happens, there is no way it assists the Canadian cattlemen or those who promote the consumption and use of beef. Now with this voluntary legislation, they will have the right to collect a levy on the product coming in and that will certainly help in the promotion of the product. There again I hope it would enhance the position of our Canadian producers in promoting Canadian products.

• (1330)

Mr. Flis: Mr. Speaker, the hon. member participated with members from all three parties of this House in the demonstration on Friday. An estimated 25,000 farmers came to the Hill to remind this government not to abandon the supply management marketing system we have established that has been so successful over the years.

I keep reminding this House that we had a family farm in Saskatchewan and after 22 years of farming it could not keep the whole family at home. We had to sell the farm and move to another industry.

Thanks to the supply management system, farmers are now a getting reliable income. Now it is being threatened by the GATT negotiations. We have heard all the arguments pro and con. Naturally these 25,000 farmers were demonstrating to preserve the supply management system.

The hon. member also knows that the western grain producers are getting the Crow Rate subsidy which may also be under threat of being removed by the GATT negotiations.

Can this government not use the argument that the dairy and egg producers are producing food mainly for the domestic market and therefore this should not even be raised in the GATT negotiations? The grain producers are exporting most of their product and would come under close scrutiny under the GATT negotiations.

What is this government doing now to make sure western producers do not lose the western transportation and handling subsidy? It is not really a subsidy because it is paid to the railways and this is how we developed western Canada. It is really a regional assistance plan if anything.

It looks like this government is not speaking out very strongly. It is not negotiating with other countries over the GATT negotiations and we may lose both. We may lose the supply management system and the so-called Crow benefit.

I would like the Parliamentary Secretary's opinions on that.

Mr. Cardiff: Mr. Speaker, this certainly gives me an opportunity to expand on some of the discussions we have had on what was said earlier.

The member refers to the farmers and supporters of the farm organizations who were on Parliament Hill on Friday. I was not here on Friday because I travelled to Brussels, Belgium and then on to Bonn and Geneva on the weekend. We left last Wednesday night and met with farm leaders over there on Thursday and Friday. It was a wonderful opportunity for all of us to spend some time with farm leaders in the high level of meetings we had while we visited in those countries.

In Brussels I had the opportunity of meeting with European parliamentarians. I put forth our position and tried to get them to understand why there is no reason to change article XI, other than to clarify and strengthen it. We do not export that product and we are not interfering with their market. I believe they understand that much better now. I believe the farm leaders played a very major role in putting our position across and we thank them very much for that.

Some of them met with Mr. McSharry, the EC Commissioner. I think everyone in this House knows who he is. We met with the German Minister of Agriculture and I believe he understands our position much better. We met with the Vice Chancellor that same day. The other part of the group met with Arthur Dunkel the Director General in Geneva, and with Ambassadors and farm leaders of those countries as well.

I believe our position has been enhanced by those meetings as well as by the strong support from the great number of people who were on the Hill last Friday. They reminded not only this country but countries of the world how important it is for us to maintain a strong agricultural sector, and article XI is very much a part of that.

The hon. member mentioned the Crow rate. I think he would agree with me that the Crow rate has been a topic of discussion in this House many times, probably since we were first elected to this House of Commons. I do not know how much longer those discussions will continue. As well, the method of payment has always been a topic for discussion. We realize that it is an issue we need to talk about. I see nothing wrong with discussing how the Crow benefits should be paid. That is not complete yet. Discussions have to take place with respect to the Crow benefit and the benefits to the western grain farmer.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I am pleased to follow on the heels of remarks make by the hon. parliamentary secretary. He commented on his recent trip last week to Europe concerning the GATT. More specifically, his trip was to pursue the concerns of the supply management people here in Canada. I wish he had been able to come back with some good news, but he was not able to come back with good news.

In a way it is the same story that has now been going on for five or six years. The government says that it defends supply management and our marketing boards and is doing everything possible to protect our system. However its efforts have so far failed. That is why, even at this eleventh hour, we are pressing the government and have been pressing the government for weeks to not give up one inch. We are pressing the Prime Minister to take advantage of his special relationship with the President of the United States and implore, beseech and beg him to come onside so that we will not lose the most productive and most stable sector of our agricultural community, which is our supply management sector.

The hon. parliamentary secretary also, in answer to a question from my colleague from Toronto, made a reference to the method of payment of the Crow benefit. As we all know, right now payment is made directly to the railways. The government has been sponsoring a number of meetings across the prairies concerning the method of payment. The government says it is consulting, that it is asking the farmers for their view on whether the method of payment, which is direct payment to the railways, should stay the same or be changed.

The government says it has an open mind and that is why it is consulting the farm producers. Some of us feel that the government has already made up its mind and will abandon direct payments to the railways and begin making payments to the producers. With that change would come all kinds of ramifications and implications.

Let us get to Bill C-54 which is before us now. It is a bill which would provide amendments to the Farm Products Marketing Agencies Act. In many ways on the surface it is a fairly straightforward bill. It would put in place a check-off and out of that check-off would come money for research and promotion.

I noted what the minister said in his remarks last week about Bill C-54. He said: "The money will be used for consumer education, domestic and foreign markets as well as research and processing of a product, distribution as well as marketing". On the surface that sounds as innocuous as motherhood. However, notwithstanding what the minister has said and notwithstanding what is said directly in this particular bill we on this side of the House have a lot of questions. We are not going to let it slide through unnoticed. We want it to go to committee because we have all kinds of questions.

• (1340)

We also note that there are a number of organizations in this country which support the bill. Some of the organizations which have expressed their support include: the Canadian Cattleman's Association, the Canadian Pork Council, the Canadian Horticultural Council, the Canadian Fruit Wholesalers Association, The Fresh for Flavour Foundation, the Western Grains Research Foundation, the Canadian Honey Council and the Canadian Nursery Trade Association.

Notwithstanding what the minister has said and what these organizations have said in support of this particular bill we want the bill to go to committee. I understand the bill will go to the Standing Committee on Agriculture because that is where it should be vetted and that is where it should be examined in detail.

We want to be assured about safeguards. We want to know exactly how the bill is going to be used. There are concerns in certain quarters. There have been concerns that this is an unfair tax. There is naturally concern about the government's motivation, which might possibly be to off-load its research responsibilities onto the shoulders of producers, and perhaps further down the line onto the shoulders of consumers. The hon. parliamentary secretary who spoke a few minutes earlier said that should not be a concern. He said that it was not the intent of the government to off-load any of its research responsibilities, nor was that its motivation. I take the hon. parliamentary secretary at his word. In fact, his minister said the very same thing in his remarks last week, and I do not question the minister's remarks either.

However we do have these concerns. The place to raise the questions and to examine these concerns is the Standing Committee on Agriculture. If the bill had the effect of off-loading the government's responsibilities, it simply could not be allowed.

There is also the concern about the bureaucracy resulting from such legislation. We should examine that as well in committee.

Another matter is what is going on at the GATT right now. We all know that if Canada fails to get article XI strengthened and clarified and if we end up with a system of tariffication supply management is more or less doomed. Our marketing boards will lose their *raison d'être*.

If marketing boards no longer have control over prices or quotas what is left of them? What impact would there be with this legislation in place? Again we must ask at committee about the implications of this legislation before us today if we lose our marketing boards.

Mr. Speaker, you will appreciate why we want this to go to committee. I also want to raise the matter of the Farm Products Marketing Agencies Act, an act that is now more than 20 years old. Out of that legislation came our supply management system from which came a number of agencies: the Canadian Egg Marketing Agency, the Canadian Turkey Marketing Agency; the Canadian Chicken Marketing Agency and the Canadian Broiler Hatching Egg Marketing Agency.

These agencies, our supply management system, have brought order and stability to that sector of agriculture; order and stability where before there was disarray and chaos. The supply management system in our country is a Canadian success story. It is an outstanding success story, one that we can be proud of. It is a system that has provided plenty of food, good food, healthy food.

I know that the producers are proud of the system. They are proud of their achievements under it and do not want to lose it. I do not want to lose it. We on this side do not want to lose supply management. That would be harmful to our country, very damaging to our country.

Let us not forget that consumers have not done badly in this system either. Do not listen to the hogwash coming from sources such as the *The Globe and Mail*. Those people would love to destroy supply management. They would like us to believe that if somehow supply management ended tomorrow consumer prices would cease. *The Globe and Mail* believes in fantasy. *The Globe and Mail* is dreaming, because that is not the case.

Under supply management not only do we have lots of good healthy food but our prices are not that bad either, the second lowest in the world. That is certainly nothing to sneeze at. They are certainly consistent with the rise in the consumer price index. What do we find if we compare price increases under supply management with price increases in those commodities not under supply management? There is no difference. Supply management does as well as those other commodities.

I have said in the House before, and I will say it again, that they have done away with supply management in Australia. Have the prices gone down? Not that I am aware of.

Despite this great Canadian success story we may lose supply management, and with it order and stability and real productivity in that sector of the agricultural community. We will lose it if the Dunkel report is adopted in the final GATT agreement, if there is a GATT agreement. We will lose it because Dunkel is not moving to strengthen and clarify article XI. We will lose it.

Let there not be any doubt in our minds. I know there are people out there who believe that our supply management system can survive under so-called tariffication. They have put out the word: "Can you imagine? We will have tariffs of 200 and 300 per cent. How could any American company scale that kind of tariff wall of 200 and 300 per cent?"

Let us not be deceived. In Canada we are not in the same situation as they are in the southern United States where the climate is a lot different. It is much warmer. They do not have the same energy costs. They do not pay the same wages. They do not even have the same expensive quality control. They have enormous economy of scale and they have enormous production capacity. They can climb; they can scale that tariff wall.

The wall will come down slowly but surely over a number of years anyway. We can be sure that they would flood this country with their surplus stocks, with their surplus supply. We can be sure that in the phase-in years of tariffication, the large multinationals from the United States would be happy enough to accept marginal profits for the sake of scaling the tariff wall and penetrating our market. When they have killed our supply management system and knocked off our farmers—some of the best in the world—do you think they would be satisfied then with marginal profits? Not on your life, not on your life.

• (1350)

Let us not be fooled by tariffication. Let us not be fooled by this talk of tariffs of 200 per cent or 300 per cent and that somehow supply management can continue under tariffication. It cannot. If you do not have control over quotas and prices, there is not a chance that supply management will continue.

The threat posed against supply management at GATT is part and parcel of what you might call a new world economic order. If the multinationals have their way, the nation state will be dead. There will not be national identities or national borders any more. They want a world that is theirs and theirs alone. They want the entire planet to be their marketplace. They come back and tell us not to worry about their using the entire planet as their marketplace because as long as we are competitive and understand globalization, everything will be fine. In other words, just be smart and work hard and everything will be fine and dandy.

Let us not be fooled by that because they have certain advantages they will exploit and use, advantages that we Canadians do not have. We are just as smart and can be just as competitive as anybody else, but at the end of the day you have to have some kind of level playing field. If they start 100 yards up the track, there is a pretty good bet who the winner will be at the finish line.

The multinationals know that and we have to pursue both national and international policies that are in our interest and I am not preaching protectionism. I am prepared to work as hard as anyone else. I am prepared to be as competitive as anyone else, but just give me an equal opportunity. Give me standards and mechanisms where everyone has to play fairly and by the same rule book. Give me the opportunity to feed myself. A country must feed itself. A country that cannot feed itself is extremely vulnerable and has no future.

We have to realize what is going on around this world. I think there are some people across the way who do not realize this new world economic order is emerging. It is a new order driven by the multinationals who want to establish their own hegemony and their own control. This is not anti-American or anti-any country. All I want is a system where we can protect ourselves, be competitive, very productive and very efficient.

I hope we can give this bill to committee as quickly as possible so we can get the answers to some very important questions.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to compliment my colleague for his passionate support of the marketing boards we have in this country.

I want to refer him specifically to a document our colleague from Lambton—Middlesex put out some months ago, called "Compare the Share". This document basically illustrated the spread between what the farmer received and what we paid at the retail level. It was a clear illustration of the fact that the farmer, in relation to the retail price, receives sparing little.

As an urban member, I have a difficult time communicating to my constituents that the farmers themselves get such a small amount of the money people pay at the retail level.

It is ironic that the member mentioned *The Globe and Mail* because I share his view that not all journalists at *The Globe and Mail*, seem to have the same attitude toward our market boards that we do. Does he not think that part of our exercise here, and part of the government's exercise should be to take a more aggressive campaign to communicate the idea of comparing the share so all the people of Canada would understand and thus become more sympathetic to marketing boards?

Mr. Harvard: Mr. Speaker, I thank my colleague from Broadview—Greenwood for that question. It is a discerning one and I believe he is absolutely right.

The farmers and urban dwellers are not foes. As far as I am concerned we are partners in a joint operation. We have to eat and farmers produce the food we eat. It is of no benefit to urban dwellers or consumers anywhere in this country to keep farmers impoverished. We want farmers who are prosperous. We want farmers who have their own stable economy. We want farmers who are very productive, and that is what we have.

We just take the service and production from the farm for granted, whether we are eating at home or in a restaurant. We just take it for granted that the food will be there and will always be high quality. It does not just happen. It is not just some miracle or accident. There are people out there working very, very hard in the hope they will derive a fairly good living.

I have heard some people say there are a few rich farmers who may be worth a few hundred thousand dollars and maybe even a few who are millionaires. Well what is wrong with that? Is there something wrong? People in the businesses of coal, newspaper, broadcasting and freight can make a million dollars, or at least they did in the past. People thought that was achievement; that was accomplishment. But for some reason if you spot two farmers in the country who have a million dollars and might be able to fly off to Florida for a couple of weeks in the winter, some people stand up and say that is not right. They are making too much money and that is terrible.

The hon. member from Broadview—Greenwood pointed out "Compare the Share", that excellent work done by my colleague from Lambton—Middlesex. It proves that the farmer is not gouging the consumer. He is not getting his fair share of the profits coming from his production.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I could not help but take note of the words of the member for Winnipeg—St. James when he talked about our realizing what went on in this world.

I could not agree with him more that a country's best security is being able to feed itself. I would like to share with the House, a brief informal meeting that the Standing Committee on External Affairs and International Trade had this morning with Dr. Zimmer, editor-in-chief of a well-known newspaper in Munich.

He shared with us the problems in Germany and we shared with him the problems facing us here. Their farmers are facing a similar problem to ours. Unless they get some assistance from the government, they are going to go under.

I could not help but take note. Dr. Zimmer talked about the farms in Bavaria, where their government is giving subsidies to the farmers because the beautiful Bavarian farms are tourist attractions.

Our time is running out, but I was going to ask the hon. member who comes from the west how our farmers can compete if a rich and powerful country like Germany has to support its farmers or they will not exist.

Mr. Speaker: It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADIAN ARMED FORCES

Mr. Stan Wilbee (Delta): Mr. Speaker, as the crew of the HMCS *Restigouche* sails from home waters today to the foreign reaches of the Red Sea, we should all be fully aware that by enforcing the sanctions of the United Nations against the Government of the Republic of Iraq, they are playing an historic role in the establishment of the rule of international law. The vigil in the Red Sea will make a valuable contribution to the maintenance of world peace.

The *Restigouche* has been called upon to perform this task with the full knowledge of how much has already been contributed by Canadian defence activity within the previous 12 months. We are also aware of the sacrifice involved for the families and the loved ones.

With the experience gained during the deployment with the standing naval force Atlantic and the professionalism shown during the preparations for departure, we have complete confidence in the ability of the crew of the *Restigouche* to represent the highest ideals of Canadian naval tradition.

May God bless HMCS *Restigouche* and all who sail in her.

* * *

LIBERAL PARTY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, as the country moves toward a constitutional resolution, the Liberal Party this weekend overwhelmingly endorsed the primacy of the charter of rights, adding these values to its interpretation: the preservation and promotion of Quebec as a distinct society within Canada, and the linguistic and cultural protection and development of the official languages communities living in a minority situation.

In short, Liberals remain committed to a Canada where English speaking Quebecers and francophones outside Quebec are enhanced integral parts of our cultural plurality.

This was a more positive contribution than the constitutional affairs minister's damaging speculation last week about English speaking Quebecers being set adrift in a divided Canada. The minister has raised many fears and concerns in the hearts of many Canadians all over Quebec, especially in my riding, just when we need reassurances about Canada's future.

Instead, we all need to have a renewed Canadian federation that does not compromise any Canadian's individual rights through the application of creative thinking, so that a uniquely Canadian solution can be found which will meet the needs of Quebecers, the east and west and the aboriginal people across this country.

* * *

[*Translation*]

TRIBUTE TO OUR OLYMPIC ATHLETES

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, it is with great pride that I call the attention of all members of the House to the performance, in Albertville, during the weekend, of Canadian medal-winning athletes. Of course, the clouds over Albertville during the weekend had silver linings for our Canadian athletes.

With the official recognition of short-distance speed skating in the Olympic Games this year, the men's 5,000 metre relay team finally won the silver medal after a close struggle. I wish to congratulate Mickel Daignault, Frédéric Blackburn, Marck Lackie and Sylvain Gagnon for their brilliant perfomances.

For the first time in 32 years, the Canadian hockey team reached the finals for the gold medal, but had to settle for the silver medal. The team deserves our warmest thanks for making all Canadians so proud of their feat.

The XVI Winter Olympic Games were the best for Canada since those held in Lake Placid in 1932. Not only did our athletes win seven medals—two gold, three silver and two bronze—but they finished in the top eight in seven other sports, and new records were set in nine new events or disciplines.

I would like to conclude by expressing my sincerest gratitude to all our Olympic athletes who helped bring Canadians together for the past two weeks in a sporting spirit that is not about to disappear.

* * *

[*English*]

FARM CREDIT CORPORATION

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, as interest rates have come down, many farmers are attempting to reschedule their farm loans with the Farm Credit Corporation. You would think that with the many farm bankruptcies and losses the FCC would be delighted. Not so.

The FCC is charging a penalty of three months' interest to farmers wishing to reschedule their debt. It is legal, but is it ethical? The administrators of GRIP are also using strong arm tactics to collect their premiums from cash short farmers. One farmer informed me that if he did not pay off GRIP by March 1 he would lose benefits and be charged extra interest. Yet the NISA program owes him money. He was told by NISA that it would take 12 to 14 weeks before that money would be sent to him.

Is it any wonder that 250 farmers in the town of Balgonie in my riding have threatened to stop the trains from running because of the anger and desperation they feel. They are tired of dealing with a government that tells them one thing and does something else. They are tired of not being heard. They want a government that is aware of their plight, that does not use threats to collect premiums, that promptly issues payments when owed and that does not penalize farmers for rescheduling their loans.

Is anyone in the government listening?

* * *

OLYMPIC GAMES

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I would like to take this opportunity to salute all of our outstanding athletes who represented Canada at the XVI Olympic Winter Games.

The coaches, managers, trainers and officials also did our country proud, ensuring that we remain one of the best in the world.

Canada, as a nation, has been fortunate to be blessed with some of the world's finest athletes, a force that also serves to unify us all as Canadians. Our collective pursuit of excellence was exemplified by gold medalist Kerrin Lee-Gartner, Sylvie Daigle, Angela Cutrone, Nathalie Lambert and Annie Perreault. One-third of our team of 117 athletes will return with a medal.

The tremendous success of the hockey program with Dave King was rewarded with a well-deserved silver medal. The men's 5,000 metre relay team also won silver with Fred Blackburn adding an individual medal. Bronze medalist, Myriam Bédard in women's biathlon, Isabelle Brasseur and Lloyd Eisler in figure skating were joined by the ladies curling team skipped by Julie Sutton.

I ask this House to join me in congratulating my constituents; Glenn Rupertus, Jane Isakson, Keven Martin and Lisa Sargeant. All these athletes gave their very personal best. Canada and Wetaskiwin are very proud of these outstanding Olympians.

* * *

HUMAN RIGHTS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, Indonesia's foreign minister, Mr. Ali Alatas, is visiting Ottawa today to tell the government that the human rights situation in East Timor is improving. It is obvious that this is not true.

Forty students who were at the November 12, 1991 massacre at Dili are up on charges: some for subversion which carries the death penalty and others face prison terms of up to seven years.

Members of the Indonesian military, the perpetrators of the atrocities at Dili, have never been charged.

The Indonesian government has released its own report of the massacre from the findings of its own appointed national commission of inquiry. Amnesty International concludes that the mandate and method of work of the inquiry were fatally flawed and that its findings are unacceptable.

The Secretary of State for External Affairs, when meeting with Mr. Alatas, must call for an end to the repression in East Timor and tell him that Canada will be supporting all resolutions presently before the United Nations Human Rights Commission in Geneva and that Canada will finally support UN Security Council resolutions 384 and 389.

* * *

FARM RALLY

Mr. Bruce Halliday (Oxford): Mr. Speaker, although a perfect record was marred by a few bad eggs at the large farm rally on Parliament Hill last Friday, we should commend the leadership and members of the supply managed commodity groups for the very well planned and executed rally they staged in support of the government's strong position on the need to clarify and strengthen article XI of the GATT.

Canada's marketing boards are the envy of producers in many other countries. It is to be hoped that this well-staged demonstration will signal to other countries the strong support there is to maintain an orderly marketing system which is fair to both producers and consumers alike and, at the same time, does not distort international trading patterns through subsidized over-production.

I am proud that eight busloads came from my constituency of Oxford, the dairy capital of Canada.

* * *

• (1410)

[*Translation*]

ARTICLE XI OF GATT

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, the Minister of Agriculture and the Minister for International Trade, together with Canadian farm leaders, have just returned from a trip to Europe to explain to their European counterparts the importance of supply management, both for the Canadian economy and as a way to avoid distortion on international markets.

We ask the government to tell Canadian farmers now what was achieved during this visit, especially during the conversations Canada's Prime Minister had with world leaders, as well as the government's strategy for protecting, strengthening and clarifying article XI, in the best interests of the Canadian economy, our farm communities and food security.

[*English*]

THE BUDGET

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, as mentioned in *The Globe and Mail* editorial last week, we can expect the opposition to continue requesting, as we approach budget day, a kick-start to the economy.

The editorial suggested: "The national economy is not a car motor and Ottawa's budget is not a jumper cable tied to an electric generator". The next time the opposition uses the phrase kick-start, call a taxi.

Canada's fortunes will only improve if we stay the course toward responsible fiscal management. This means holding the line on taxes and expenditures. It does not mean going on a spending spree to kick-start the economy. Past governments have proven that the quick fix just does not work.

* * *

LIBERAL PARTY

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the national media is acknowledging what was obvious to more than 1,500 Liberals gathered in Hull and to Canadians watching us from across the country this weekend. The Liberal Party is strong, united under our capable leader and focused on the task at hand.

That task is to defeat this tired, discredited Tory government and replace it with a progressive, responsible and compassionate Liberal government under Jean Chrétien. Both our party reform and our national biannual policy conventions were resounding successes. We did not shrink from the tough issues of the day: tax reform, free trade and the Constitution. In all cases, Liberal delegates approached the issues in a spirit of openness and compromise, and with a genuine willingness to suppress local or particular interests to the greater interests of a stronger Canada.

[*Translation*]

We have confirmed once again that the Liberal Party is the party of all Canadians. We are ready to meet the challenges of the future and get Canada moving again.

[*English*]

If the Prime Minister would only do what so many Canadians want him to do: call an election and give the people of Canada the opportunity to elect a Liberal government, we could get Canada working again.

LIBERAL PARTY

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, during the last federal election the former leader of the Liberal Party, the Right Hon. John Turner, took the position that he was opposed to the free trade agreement and should he be returned to the office of Prime Minister he would rip up that agreement. Last weekend we saw the new Liberal Party go back on the fence again.

I want to warn every Canadian who is opposed to the free trade agreement to understand that the Liberal Party stands exactly four square on every side of every issue. On the free trade issue, they have gone back to negotiating. Negotiating got us in trouble in the first place.

If you are against the free trade agreement, vote for the New Democratic Party, Mr. Speaker.

* * *

MR. DOUG PETERS

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I stand today out of concern for the many Canadians who follow the economic reviews of the government. A face and name quite familiar as an economic critic on television, on radio and in print is that of Mr. Doug Peters of the Toronto-Dominion Bank.

It was published yesterday that one of the star candidates for the Liberal Party in the next federal election will be Mr. Doug Peters.

I believe it is a fair question to ask all of the media: How non-partisan can Mr. Peters be if he is to be a candidate for the Liberal Party in the next election?

* * *

EAST TIMOR

Mrs. Christine Stewart (Northumberland): Mr. Speaker, since December 1975 when the Government of Indonesia invaded East Timor, 250,000 of its 700,000 native inhabitants have been brutally butchered. The slaughter of East Timorese by the Indonesian government continues even today. Yet our government continues to do business with Indonesia. In fact, Indonesia is one of Canada's largest trading partners in southeast Asia with two-way trade totalling about $500 million last year. Our legitimization of Indonesia's policies through continuing trade and the abandonment of those oppressed East Timorese is unconscionable. Canada must take a much stronger stand against human rights abuses in East Timor and against its illegal takeover.

I call on this government to curtail any bilateral aid not directly benefiting the poorest, call for the international cessation of all military equipment sales to Indonesia and condemn the Indonesian transmigration and assimilation programs aimed at destroying the culture of East Timorese aboriginal peoples. Canada must provide humanitarian aid to East Timorese refugees and work for free access of the International Red Cross and other human rights and non-government organizations to East Timor.

* * *

THE BUDGET

Mr. Garth Turner (Halton—Peel): Mr. Speaker, tomorrow is budget day. Anyone entering the House of Commons today is certainly aware of that. The television networks are busy setting up their elaborate anchor desks in the foyer just a few feet away from this spot. Tomorrow night most Canadians will have an opportunity to see what really goes on around this place. After the budget speech, the hallway outside will be filled with spokespeople for various special interest groups, trolling for microphones.

It seems these days that the country is little more than a collection of special interest groups representing a narrow band of society but getting a big chunk of media attention. Among the spokespeople who always seem to pop up is Doug Peters of the Toronto-Dominion Bank. He will likely condemn the budget. Canadians would be wise to remember that he was the adviser to big deficit Liberal Finance Minister Marc Lalonde and apparently plans to run in the next election as a Liberal.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, 300 farmers from Abitibi-Témiscamingue attended the demonstration organized on Parliament Hill last Friday in Ottawa. I arranged a meeting with the President of the Treasury Board who agreed to see Denis Jutras, president of the Abitibi-Témiscamingue UPA, and four UPA members. So far there has been no final decision. The European agricultural question has yet to be resolved, and despite certain statements the European Community has not yet finalized its official position on article XI.

Mrs. Finestone: Time.

Mr. Saint-Julien: Mr. Speaker, the Liberal member for Mount Royal keeps telling me to stop talking. I suggest she rise in the House and tell taxpayers about her travel expenses in Canada and abroad.

The Canadian delegation's visit to Brussels was useful. According to a spokesperson for the European Commission, European negotiators will remember their meeting with the Canadian delegation when they examine agricultural issues at GATT. Three cheers for the hon. member for Bellechasse, for the hon. member for Champlain, and for Quebec Minister Yvon Picotte who were there to defend the interests of Quebec farmers.

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, the Minister of Finance has promised to deliver a realistic budget tomorrow. The reality today is that 2,000 workers at GM in St. Catharines have lost their jobs. The reality today is that thousands and thousands of fishermen and fish plant workers will lose their jobs very soon.

Will the Minister of Finance introduce a plan that will deal with these realities tomorrow? Will the Minister of Finance introduce a plan that will get Canada working again?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I think the hon. Leader of the Opposition knows that the unfortunate announcement from General Motors not only covered a plant in St. Catharines but covered a number of plants in the United States and is a part of the restructuring that General Motors is undergoing. It does not make the job losses any less painless. We, of course, will do all within our power to help those people when the plant is planned to be closed by 1995.

Might I urge my friend from the Liberal Party to be patient. Tomorrow afternoon at 4.30 p.m. the Minister of Finance will deliver a budget that I am sure the Leader of the Opposition will praise and go across this country supporting the Minister of Finance in his endeavours.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, there is nothing that I would like more than to be able to get up and praise the government if it were to take care of the 1.5 million people who want the dignity of having a pay cheque. I can tell the minister if the government does that, we will praise it, but if it keeps ignoring the reality and the misery of these people, we will fight it. What is important at this moment is to make sure we get Canadians working again. Will the minister inform the Minister of Finance that yes, we will support him if he has some programs to help the unemployed. Will he please tell him as well that we will fight him if he keeps doing what the previous Minister of Finance did to this country in the last seven years?

• (1420)

Hon. John McDermid (Minister of State (Finance and Privatization)): The previous Minister of Finance and the present Minister of Finance have been working very, very hard to get interest rates down, to get inflation down. They have accomplished both. There are 1.5 million more people working today than there were in 1984 with full time permanent jobs. A lot of very good things have happened in this country.

I am sure the hon. member will be very, very pleased when the budget comes down tomorrow to support it. I have every confidence that he will applaud the Minister of Finance tomorrow. It is obvious that he still has his adrenalin going from his convention on the weekend. I hope he will carry it over to tomorrow.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a question for the minister. Did the minister or some of his colleagues happen to watch Radio-Canada last night when Céline Galipeau interviewed workers in the automobile industry who were 47 to 52 years old, with 25 to 27 years of experience, and who at their age were faced with losing their jobs and were not at all hopeful for the future?

Will the government finally realize that pleasing the financial community is not as important as restoring the dignity of these people who want to work and enjoy the satisfaction of earning a decent living?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): That is exactly what this government is working toward. My colleague, the Minister of Industry, Science and Technology, together with his colleague, the Minister of Employment and Immigration, are working very, very hard on a prosperity program which in fact stresses training and retraining and the encouragement of industries to train and retrain. Our record in Canada is not one that we can be proud of in that area. That is what they are working on at this time, to assure that people have full-time, meaningful jobs, not just make-work programs, throwing money at problems like the Liberals would have us do.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

The government is about to approve the demise of the cod fisheries. The government says it is powerless, but it is time it realized that it does have the tools to do something. The environment is one.

My question is this: Will the minister promise to immediately ratify the United Nations Convention on the Law of the Sea? Second, will she reverse the defeatist attitude she took on the weekend and take a proactive stance at the earth summit in Brazil? Third, will she protect the entire environment of the Grand Banks, including fisheries resources? Will she act unilaterally and do so immediately?

[*English*]

Hon. Barbara McDougall (Secretary of State for External Affairs): The hon. member is asking two separate questions. One comes out of my statements on Friday, that of the great significance of the UNCED meeting in June in Rio for a variety of purposes, in which Canada is taking a leading role. I think it is important to understand that we see this as one step and not the step in protecting our environment. Therefore we do not want to see expectations raised too high. We want to deal in realities.

On the second point I should say we are working very hard through the preparatory committee that will take place in New York very shortly on ensuring that fisheries and marine conservation are very much a part of that UNCED agenda.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, it may be that I asked two separate questions. It would have been very helpful if the minister had answered at least one of them.

For three years, this government has stood on the sidelines and watched this country absorb blow after blow. Now it is the turn of the fishing industry and it is not true that Canada is helpless. The fact is that it is this government that is hopeless.

Two years ago the Oceans Institute of Canada at Dalhousie University stated that the environmental need to conserve fish stocks inside the 200–mile limit gave the government the right in international law to go beyond the 200–mile limit to prevent overfishing. Why has the government not exercised that right?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I have a list of seven or eight things that the government is doing with regard to overfishing. No one takes this more seriously than we do.

First of all, I should point out that we will be informing through our embassies in the EC and the NAFO countries this serious scientific evidence that has come to us in the last week. The Minister of Fisheries and I will be meeting with the EC ambassadors later this week. It is important to make the Europeans understand that this is not just a domestic fisheries issue. The information that we have puts the whole North Atlantic fishery at some sort of risk. Therefore it is in their own self–interest.

We are also pursuing the inclusion of this in the UNCED conference in June. Indeed, if at the end of all our diplomatic efforts we are not able to have an impact, we will have to consider further steps, and we are prepared to do that.

* * *

UNEMPLOYMENT

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Acting Prime Minister. It concerns the announcement today about the thousands of workers in Atlantic Canada who will be affected once again and will quite possibly lose their jobs.

The government has known for years that this was going to happen. There have been studies. Yet the government's response to these people in Atlantic Canada is that a task force will be established to look at the impact. The impact is clear. The impact is that these people will have no jobs. I want to ask the government why this total disregard for the Atlantic fisheries? Why so late to do anything? Not only does it show mismanagement, it shows callousness to the people of the Atlantic region. When is this government going to make unemployment a priority and start planning to make sure that Canadians can get back working?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member is asking what actions can and will be taken for Atlantic Canadians who live off our fisheries.

What the Minister of Fisheries and Oceans announced this morning was a very sensitive conservation and management program of the resource to ensure that this resource is there in the future to allow the people who live off that resource to be able to earn a living. In the meantime, we have a series of programs trying to help these people adjust to those changes in the fishery. If the hon. member says that nothing is being done, she should

look at the details of the $584 million program we announced two years ago.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it is clear that the government has failed to plan for the plight of the people in the Atlantic region that is happening now. It knew this was coming. There is no real plan in place.

While the government says that the war on inflation is over, it is time to take care of the casualties of that war, the 1.5 million unemployed, those people on social assistance, those people who are losing hope. Today, the Conference Board of Canada said that if the government continues with its policies, the recovery will be further hindered. I want to ask the Acting Prime Minister if he agrees that what this country needs is a budget based on a policy of zero unemployment. Is this government going to bring forward such a policy in the budget tomorrow?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, of course unemployment is of great concern to the government and that will be addressed in the budget tomorrow.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I certainly hope that it is addressed more specifically than it was in the Atlantic when this government knew that there was a situation of crisis there.

[*Translation*]

It is high time this government started being as energetic about creating jobs as it was about fighting inflation. On behalf of all unemployed Canadians, will the Deputy Prime Minister start concentrating all his energy and resources on getting rid of policies that have put 1.5 million people out of work and hundreds of thousands of Canadians on welfare while also causing many bankruptcies?

• (1430)

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I can tell the hon. member, first of all for her edification, that Canada is not the only country that has gone through a recessionary period. It has happened around the world, but I can tell the hon. member that because of the policies of this government Canada is much better poised to come out of the recession than any other country in the G–7.

As a matter of fact, all the prognosticators, those outside our government, are being far more small *l* liberal in their projections of what will happen in the next couple of years than the government. I think that the policies of the government of the past seven or eight years have allowed us to come out of this recession leading in the modern world, in the OECD and in the G–7. I think the hon. member will be pleased with the budget tomorrow of the Minister of Finance.

Mr. Jim Peterson (Willowdale): Mr. Speaker, General Motors has just announced a further 2,300 job lay–offs in Canada's industrial heartland. Since the government has had at least two months notice of GM job cuts, would the Minister of Industry, Science and Technology inform the House today of his specific plans for ensuring that these workers have jobs?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend is well aware that we have had a general indication from the people at General Motors that in North America they would be making some significant reductions in employment. Where those were going to occur we could not tell until the actual announcements had been made.

Some announcements were made this morning. They are very troublesome. The loss of jobs, some 2,300 jobs in St. Catharines, is very bad news as far as the Niagara peninsula is concerned. We, with my colleague the Minister of Employment and Immigration, will be working with these people. I am sure my friend is aware that the lay–offs will occur over a period of time from this fall until the spring of 1995.

A large amount of the reduction will be through attrition so it is still not clear at this point how much the programs of the government will be called upon.

Mr. Jim Peterson (Willowdale): Mr. Speaker, Canadians do not need more studies. They do not need more delays. Canadians need jobs.

I put it to the minister that it is within his power to act to save Canadian auto jobs. It was his free trade deal that gutted the safeguards of the auto pact, and as a conse-

quence Canadians are losing automotive jobs at two and a half times the rate of Americans.

Will the minister finally insist on safeguards for Canadian automotive jobs? Will he tell his trade negotiators to act today to preserve Canada's automotive industry?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I do not have to do that today. I have already done that.

My hon. friend should be honest with Canadian people and understand and indicate to Canadians that the free trade agreement has had nothing to do with the decision that was taken by General Motors today.

The decision has everything to do with the weakness of the automotive industry in North America. The General Motors company is way above the auto pact safeguards, and he knows that those safeguard levels were not affected at all in the free trade agreement.

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry, Science and Technology and Minister for International Trade.

In his first answer to my colleague, the member for Willowdale, he said that the workers at GM and around the country in effect should not worry because the jobs would go, as he put it, by attrition.

Why does the minister not realize that you do not build an economy by attrition? Why does he not realize that Canadians do not want attrition? They want jobs.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the only point I am making which my hon. friend is trying to distort here is that the General Motors people have said that to the extent people retire in the ordinary course or change jobs through the ordinary course that will reduce the number of lay-offs and reduce the 2,300 down to a number which is a good deal lower. That was the point I was making.

As far as the importance of jobs is concerned, my colleague the Minister of State for Finance has commented very powerfully on that in his answers earlier today. This government is very concerned about the level of employment in the country. He has indicated that the Minister of Finance is very well aware of the concerns that have been expressed, both by members of this House as well as by Canadians in all parts of the country, and will be dealing with that in his budget tomorrow.

Hon. Herb Gray (Windsor West): Mr. Speaker, the 2,300 workers at the plants at St. Catharines operated by GM that will close and Canadian workers generally will be very disappointed that the minister of industry does not have any contingency plan to announce today or any plan that could be announced in the near future for replacing the jobs that will be lost at those plants in St. Catharines.

On February 11 the minister admitted in this House that the auto pact is on the table as part of the current negotiations with the United States and Mexico. If and when these plants in St. Catharines close, what will the government be able to do to ensure that General Motors continues to meet the requirements of the auto pact for Canadian content and Canadian assembly?

Can he give us a clear answer on that key point today?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think if my hon. friend read what I said in the House, as he said on February 11, he would know that what I said was that if there was going to be a replacement for the auto pact it would only be by something that is better.

* * *

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question for the Secretary of State for External Affairs follows up on her meeting today with Indonesian Foreign Minister Ali Alatas.

In view of the recent report by Amnesty International which condemned the government's inquiry into the brutal murders at Dili as being a whitewash or fatally flawed, and in view of ongoing repression including charges of students with subversion, will the minister assure this House that she supports the call for an independent, international inquiry into the Santa Cruz massacre and will Canada strongly support the European community resolution on East Timor which is currently before the United Nations Commission on Human Rights in Geneva?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, first of all we do not necessarily agree with the Amnesty assessment of what the Indonesian government is prepared to do as a result of the commitments made by its inquiry.

I should say that in my meeting today I expressed Canada's views again very strongly regarding the situation in East Timor. I should say as well that we are the only country in the world that is still continuing to hold back on funding new aid projects. No one else is doing that. Therefore the actions we have taken have gone well beyond the UN charter and our commitments under other international treaties.

I am really quite hopeful that the Government of Indonesia takes its responsibilities in this connection very seriously. We recognize that there is still progress that must be made and I pointed that out in the 90-minute meeting on this topic with Mr. Alatas. We will continue to monitor the situation, and if the Government of Indonesia lives up to its commitments then we will review our stand.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, the minister, of course, did not answer the question with respect to the resolution in Geneva.

I want to ask a supplementary question on another very important international human rights issue concerning the continuing imprisonment of two young Canadians in Brazil, Christine Lamont and David Spencer, sentenced to 28 years in jail.

Given the recent commitment by the Brazilian minister of justice to Christine's parents to release Christine and David if Canada formally requests their expulsion, when will the minister finally act on behalf of these two young Canadians who have been victims of a very grave miscarriage of justice and make a formal request to the Government of Brazil for their expulsion so they can return home to Canada?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, these two young people who are in their late twenties and early thirties were found guilty in Brazil of three very serious charges: kidnapping, resisting arrest and conspiracy. We have examined this situation very closely, and indeed the transcripts of the trial following the appeal process are being gone over right now by our legal people. When that review is over then I will make a decision as to what action I should take.

• (1440)

As I have indicated in this House I do think the 28-year sentence is excessive, but we do regard the kidnapping conviction as a serious one as well, as we would in our own country.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

The minister of fisheries said in St. John's this morning that the government might have to contemplate unilateral measures to stop foreign overfishing. Her colleague, the employment minister, said here in the House on Friday that the government would never do that.

I want to ask her: Which it is? Is it what the employment minister says here when the Prime Minister is listening, or is it the line being peddled today in St. John's by her colleague, the minister of fisheries, when he hopes that nobody else is listening? Which is it?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I have already outlined in the House today some of the steps that we are taking and are continuing to take with regard to the situation.

It has been an extraordinarily frustrating exercise to try to convince the Europeans how serious this is. We are going to take the most recent evidence to them, as I said earlier in response to a very similar question, and try to explain to them that this is in their interests as well as our own.

I also said earlier in the House today, if the hon. member was listening, that I am quite prepared to contemplate further steps should that be required as long as it is within the bounds of our capacity to act meaningfully.

Negotiations are still the best way to accomplish this, and we will contemplate future steps at the appropriate time should need arise.

Hon. Roger C. Simmons (Burin—St. George's): It is all right, Mr. Speaker, Mighty Casey is here now. I have a supplementary question for my friend, the Minister of Fisheries and Oceans, fresh from his triumphs in Newfoundland.

He will know that in 1970 this Parliament, through legislation sponsored by a Liberal administration, unilaterally established functional jurisdiction over a 100–mile zone in the Canadian Arctic waters.

There is a clear precedent for what we have been advocating. Why then, I ask the minister, is the government so painfully reluctant to take unilateral action in the present case? Is it fearful of the outcome, or is it that it just does not have the heart for the fight?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I wonder where the hon. gentleman was in 1972 when the treaty was entered into with France or a few years later when a treaty was entered into with members of the European community which gave them the right to fish in the same waters that the hon. gentleman says we should take unilateral action on. The hon. gentleman's government gave them the right to fish for six or seven years in these same waters.

With respect to unilateral action, we have taken dozens of unilateral actions and we are having some success. As my hon. colleague may have mentioned, the South Korean ambassador has already conveyed the message that his government has given orders for their vessels to be withdrawn from this area.

Our ambassador had a very successful series of meetings at Panama, and the Panamanian government which has a number of vessels fishing in this area owned by Spain and Portugal will also be taking steps to see to the same.

We are taking effective action unilaterally already.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Today's announcement on the reduced northern cod quotas means in effect a reduction in jobs, lay-offs, reduced plant operations, and for many people it means no income at all. The announcement on the compensation was very general. It talked about past programs and present programs but nothing specific.

I want to ask the government and the minister of fisheries in particular, because he must know what is happening over there, to put a human face on this and tell this House what specific compensation measures will be taken for those Atlantic Canadians involved.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, as I have already made clear today, when we have established exactly what the consequences of this decision are, if there is need for any additional assistance programs it will be forthcoming.

We already have in place a whole series of programs, including the first line of defence, which is the unemployment insurance program, that will apply particularly to workers in offshore plants.

We also have in place a Fisheries Alternatives Program, a Plant Workers Adjustment Program and diversification within the fisheries program. All of these programs will still apply.

When we know later in the year exactly what the effects are, other programs, if necessary, will be put into place.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I feel sorry for the people who are watching the answer to this question. It simply is not good enough.

The government has known that this has been coming for some time. It talks about task force reports and a new task force being set up.

The people watching the answers to these questions cannot eat task force reports. They have enough in front of them now. These people, because of last year's dismal fishery, are living in an atmosphere of fear, anxiety and to a certain extent, hope. All this is compounded and aggravated by the situation today.

I am going to ask the minister one more time. He must have some idea. Let us know how much, what kind, and when.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. gentleman may want to alarm people. I do not know.

I think the hon. gentleman should be concerned about being accurate in his assessment of the situation in Newfoundland. The Newfoundland economy is not finished. This is a serious matter affecting the northern cod species.

If we just take Newfoundland alone, 61 per cent of our fishery is groundfish and 40.5 per cent is the northern cod. We still have many other species of fisheries.

The northern cod is not finished. We only caught 127,000 tonnes of the northern cod last year. The TAC just established is 120,000 tonnes. If we are lucky we may catch that this year.

If we look at Atlantic Canada, Atlantic Canada is not finished. The northern cod is 11.8 per cent of the landed value of all fisheries products in Atlantic Canada.

The region is not finished. There is no need to exaggerate. This process started several years ago. We are responding. There are programs and the economy of Newfoundland is still going to have growth this year.

If the investors listen to the doom and gloom from the opposition, Newfoundland is finished. I say there is still a lot of life in Newfoundland.

* * *

HERITAGE DAY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Communications. This was a question that I wanted to ask last week. Last Monday was Heritage Day but the minister was ill. I am glad to see him back in the House in good shape today.

National Heritage Day was a time to be reminded of the commitments which were forthcoming from his predecessors both in communications and environment at the Edmonton conference on heritage in 1990 where a commitment was made to a formal review toward the creation of a national heritage strategy.

My questions are obvious. Are new initiatives going to be forthcoming for a Canadian national heritage strategy? Will the public be consulted in the process? When will the discussion paper be available?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, first of all let me thank my colleague for his good wishes and I am delighted to be able to respond to his question.

Yes, we have given a very high priority to the whole field of heritage. We are working closely with my colleague, the Minister of the Environment, to prepare material with regard to this.

We will be seeking public input with regard to it and we hope to take initiatives which will help to encourage and to preserve Canadian heritage.

* * *

AUTOMOBILE INDUSTRY

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology who said that the lay-off of 2,500 workers at GM in St. Catharines was troublesome. Probably he will find the next round of lay-offs at GM downright irritating but the workers find it catastrophic.

My question to the minister is: When is he going to act to ensure that we have free trade with Japan and the offshore automobile companies, rather than seeing the North American industry savaged as a result of this government's policies?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I know that the hon. member would like to cut off all trade from Japan and all trade from other parts of the world. What we have to realize is that we have an open economy here. If we are going to start erecting barriers against trade with other countries then we are going to suffer as well from the trade that we want to do with those other countries. That is something that my hon. friend does not take into account when he asks that sort of question.

• (1450)

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the Japanese ship 2.5 million cars to North America a year, 25,000 North American cars are sold in Japan a year, and 2,500 Canadian workers lost their jobs. This was predictable. The government was warned of it. There is overcapacity.

Why is it too much to ask of the offshore producers that they produce jobs as well as cars in this country when they are making money?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the difficulties that we are having with the automobile industry are not just difficulties in Canada. There are difficulties in the whole North American market.

The cause of the lay-offs in St. Catharines is related to difficulties more in the United States than in the market in Canada.

My hon. friend, who has put in a lot of good rhetoric out there, is not hitting the mark with what he is trying to say.

* * *

NEWSPAPER INDUSTRY

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and it involves the newspaper business.

There are concerns within the industry that TorStar may be poised to gain effective control of Southam. If that happens, 47 per cent of all the English language newspapers would be concentrated in the hands of one corporation.

Does this prospect concern the minister and would his officials like to try to get the real story here?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, we know that *The Toronto Star* has shares in Southam and Southam has shares in the other. The director of competition is fully aware of that.

If there is any possibility of a merger between the two, the director of competition has the ability to intervene. We have a competition policy, we have competition legislation and we have the competition tribunal.

The director of competition will follow that issue very closely.

* * *

SOVIET REPUBLICS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

I believe all members of the House in fact all Canadians watch daily with dismay the rising tide of fascism and authoritarianism in Russia and the other republics and the threat it poses for democracy there. Yet western countries seem paralysed to do anything.

In fact, *The New York Times* yesterday revealed that the United States government has refused to honour its commitment of increased obligations to the International Monetary Fund for an aid package.

In light of this deteriorating situation, I want to ask the minister: Can she indicate what plans the Government of Canada has to respond to this dangerous situation?

In particular, will the Government of Canada request a special emergency meeting of the G-7 of the IMF so we can come to grips before these forces threaten the entire economic and world security that we now face and that these represent?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the events on the weekend were indeed alarming for those of us who watched them. We have asked for a full report on exactly what the situation was in Russia on the weekend.

Let me say that in terms of aid Canada has been very active in our own right as well as multilaterally. Our aid, which is actually mostly delivered, amounts to about 40 per cent of what the Americans have pledged.

We are urging the Americans to continue to provide aid. In addition, we have called for Russia and the other republics to become members of the IMF.

We have asked for a doubling of the capital of EBRD. We are continuing to work very actively through the G-7 and our other organizations and with the European Community to try and ensure that there is sufficient aid, not just in Russia but in the other republics as well, to prevent any real tragedy.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, as a supplementary to the minister, let me ask this question.

One of the most immediate threats facing these republics is the tens of thousands of Soviet military officers and personnel who must be reintegrated and retrained and be given proper housing before they become so disgruntled that they join these authoritarian forces.

I ask the minister: Can she tell us if the Canadian government has any specific plan to help in this retraining and this re-integration of these tens of thousands of military personnel?

Will the Government of Canada commit to putting a plan together and take it to the G-7 so we can finally get some action from these countries before it turns into a total disaster?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, Derek Burney, who was our Sherpa at the G-7 has been actively working with other Sherpas in order to ensure that there is a co-ordinated effort and a positive effort with regard to the former Soviet republics.

One of the things we have done with regard to the armed forces in particular is to provide a training seminar in Canada on how an army functions in a democratic society.

Senior officers from the republics were here several weeks ago meeting with our own military people in terms of the function of the army in this different environment.

The other thing is that out of the co-ordinating conference in Washington, where we were trying to ensure that countries co-ordinated and did not overlap their efforts, considerable effort is being made towards housing these people by the Germans, for example.

We believe our efforts are best directed in other areas to make sure that we are not all tripping over each other doing the same thing.

* * *

HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, I want to ask the Acting Minister of Finance a question.

In 1990 this government cut social housing spending by 15 per cent. In 1991 it extended those cuts until 1996. This has cost needy Canadians some 6,000 housing units so far.

Affordable housing is a fundamental part of Canada's social safety net. Yet this government has failed over one million Canadians who are still living in core need housing and thousands more who are homeless.

I want to ask the minister: Will the government restore the desperately needed funds for affordable housing?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the budget will be delivered tomorrow afternoon at 4.30. I would suggest that my hon. friend have patience for another 25.5 hours until the Minister of Finance delivers that budget.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, in Quebec, 360,000 units and households are eligible for these funds, and there is a demand right now for 5,000 units. During the past five years there has been a 20 per cent cut in the federal budget for this kind of housing. The amount of money available for new projects has been going down steadily, while the demand keeps increasing.

Is the government prepared to act responsibly as a partner and provide Quebec with enough funding for social housing?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I think the record will show that the federal government has been most generous with its social housing benefits, as much as our fiscal framework will allow. I think we have been very generous.

If the hon. member waits until tomorrow, she will see what news is in the budget for the housing sector.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Agriculture.

With respect to article XI and despite certain statements that were made during your trip to Europe with the hon. member for Champlain and Quebec Minister Yvon Picotte; did the European Community officially finalize its position on the review of agricultural issues in connection with GATT?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, our trip last week was an opportunity to meet the Europeans, especially for Canada's farm leaders who travelled with the Canadian delegation.

We had a chance to meet Mr. McSharry, the agricultural commissioner, and Mr. Andriessen, the community's vice-president. Of course we did not expect to come back with article XI, safe and sound. Our main purpose was to make the Europeans aware of certain common interests.

We were given a fairly favourable reception, and talks will continue in the weeks to come. I hope that as in the past we will be able to continue to defend Canada's position and represent the interests of Canadian producers. Our trip was productive but we must keep working very hard with the delegations.

* * *

[*English*]

PUBLISHING INDUSTRY

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is directed to the Minister of Communications.

The book publisher, Grolier Limited, has consistently and deliberately snubbed its nose in disregard to the government's Baie Comeau policy on book publishing. Last year it moved its direct mail division to the United States with a loss of over 100 jobs. Now it plans to close the school and library division, leaving nothing but a shell company in Canada. What specific measures is the minister taking to stop Groliers and other book publishers from leaving the country?

• (1500)

Hon. Perrin Beatty (Minister of Communications): The hon. member will be aware of the fact that I announced a program just a few weeks ago which was designed to do precisely that, to ensure the health of the Canadian-owned sector in Canada. We are pumping a further $102 million into the Canadian book publishing industry. We are taking measures which will make it more profitable for firms to be owned by Canadians, to operate here and to publish Canadian titles. In this way, we hope to increase the consumption of Canadian books and to ensure that more Canadian authors are read in this country.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, it is almost a supplement to the earlier question, but it is to the Minister for International Trade regarding his trip. Just to show how serious the discussions were and to try to alleviate the concern that it was just an unfortunate public relations exercise coming late in the day, did the minister discuss with officials in his meetings in New York the letter that 62 senators of the United States have written to President Bush to say that there shall be no change to the American agricultural adjustment agreement, section 22, which in effect protects cotton, dairy, peanuts and sugar under a form of supply management? Also, did he discuss that with the officials in New York, saying "hey, we have the same situation", to show how firm he is going to be in this government to help justify the concern and the good little message that the Minister of Finance made to those 30,000 farmers on Friday, that if the Americans are able to protect section 22 in their situation and we do not get clarification of article XI we are not going to go ahead and sign this deal?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend is well aware that the Americans are prepared to put section 22 on the negotiating table. That matter has not yet been resolved. It has not yet been resolved whether or not the Europeans and others will accept our position on article XI.

As my colleague said, we had good meetings last week with representatives of the farm community from coast to coast and with Mr. Yvon Picotte, Minister of Agriculture for Quebec. We met with representatives of the commission, of GATT, with the German government, and I think we made some progress. We certainly do not have a complete resolution of this issue by any means, but this was a good trip in that we advanced, I believe, our interests in a respectable way. I believe with the continuing work we can continue to make progress. We need to have the full support of this Parliament and the farmers throughout the country in order to continue to put the strongest possible position forward.

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the members' attention the presence in the gallery of the Hon. Roy Brassard, Minister responsible for Seniors, Government of Alberta.

Some hon. members: Hear, hear.

PRIVATE MEMBERS' BUSINESS

[*English*]

HEALTH

FAMILY PLANNING

The House resumed consideration of the motion of Ms. Black (p. 4331).

Mr. Speaker: It being three o'clock p.m., pursuant to Standing Order 45(5)(a) the House will now proceed to the taking of the deferred division on Motion M–44.

Call in the members.

• (1520)

[*Translation*]

Before the taking of the vote:

Mr. Gagliano: Mr. Speaker, since this is a private member's motion and such motions are subject to a free vote, I think you will find there is unanimous consent for proceeding row by row.

Mr. Tremblay (Québec–Est): Mr. Speaker, there is no unanimous consent.

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

(*Division No. 106*)

YEAS

Members

Angus	Assad
Bélair	Black
Brewin	Catterall
Clancy	de Jong
Dingwall	Finestone
Fulton	Funk
Gagliano	Harvard
Harvey (Edmonton East)	Hovdebo
Hunter	Langdon (Essex—Windsor)
Maheu	McLaughlin
Mifflin	Milliken
Mitchell	Nowlan
Parker	Phinney
Rodriguez	Rompkey
Skelly (Comox—Alberni)	Taylor
Tobin	Tremblay (Rosemont)
Vanclief	Venne
Young (Beaches—Woodbine)—35	

NAYS

Members

Anderson	Andre
Atkinson	Beatty
Bellemare	Bird
Bjornson	Blais
Blenkarn	Bouchard (Roberval)
Boudria	Bourgault
Brightwell	Cardiff
Champagne (Champlain)	Chartrand
Cooper	Darling
Desjardins	Dick
Domm	Dorin
Edwards	Epp
Fee	Feltham
Ferland	Flis
Fontaine	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Halliday	Hockin
Horner	Hudon
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Larrivée	Layton
Lee	Lewis
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
Malone	Martin (Lincoln)
McDermid	McGuire
Merrithew	Mills
Moore	Nault
Nicholson	O'Kurley
Plourde	Proud
Redway	Reimer
Ricard	Richardson
Robitaille	Rocheleau
Saint-Julien	Scott (Victoria—Haliburton)
Siddon	Sobeski
Soetens	Sparrow
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van De Walle
Vankoughnet	Vézina
Vien	Vincent
Weiner	Wilbee
Wilson (Etobicoke Centre)	Winegard
Worthy—93	

PAIRED MEMBERS

Blondin	Charest
Gibeau	Hopkins
Kaplan	Stevenson
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wood	

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

[*English*]

Mr. Thorkelson: Mr. Speaker, this vote was done by a roll call vote. It is my belief on a private member's item of business we should do a row by row vote. Having a roll call vote forces members to vote along with their party and that is unfair to private members.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I had to seek the unanimous consent of the House, which was denied. The Chair had no other alternative.

ROUTINE PROCEEDINGS

• (1530)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 32 petitions.

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

* * *

ENERGY, MINES AND RESOURCES

FIRST REPORT OF STANDING COMMITTEE

Mr. Al Johnson (Calgary North): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Energy, Mines and Resources.

In June our government and many other governments will attempt to respond to concerns about global climate change at the UN Conference on Environment and Development in Brazil. They may do so by negotiating a convention to limit greenhouse gas emissions. This unanimous report of your committee on energy, mines and resources recommends that our government adopt a flexible policy that includes its stated goal of stabilizing emissions not controlled by the Montreal protocol at 1990 levels by the year 2000, and that it seek a global commitment to a reduction of greenhouse gas emissions by 20 per cent by the year 2005.

Global warming is a global problem requiring global solutions and global accounting. We are, therefore, also recommending that our government support proposals that would facilitate Canada taking global action to meet its commitments.

The committee requests that the government table a comprehensive response to this report within 150 days of this date.

* * *

FINANCE

EIGHTH REPORT OF STANDING COMMITTEE

Mr. John Manley (Ottawa South): Mr. Speaker, it is my honour to present, in both official languages, the eighth report of the Standing Committee on Finance which completed its study in relation to the mandate and governance of the Bank of Canada.

I might say in presenting this report that, having served as chairman of the subcommittee which prepared the report, all members of the subcommittee from all of the parties worked in a very diligent and non-partisan fashion in preparing what I think is an excellent report.

* * *

PETITIONS

CROATIA

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour today, pursuant to Standing Order 36, to present a petition signed by many of the Croatian people in my community who ask, now that Canada has recognized that the Republic of Croatia is a full-fledged member of the world community of free nations, that Canada in its participation in the peacekeeping efforts that are presently under way continue to ensure that Croatia remains an independent free country.

GASOLINE ADDITIVES

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I want to present today another petition calling on the government to implement a reduction in the excise tax on the ethanol portion of ethanol blended gasolines here in Canada. A 10 per cent ethanol blended gasoline would cut carbon monoxide emissions by 25 per cent and carbon dioxide by 5.9 per cent. It will cut the trend toward global warming, and of course it will eliminate the need for MMT, methylcyclopentadienyl manganese tricarbonyl, which is an octane enhancer, which has been banned in the United States since 1978 but is still used in Canada.

Of course, we find that the government has done no testing to examine whether or not there are harmful effects on the health of the population of this country, particularly on children who are most susceptible.

HEALTH

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today to present a petition signed by thousands of Canadians from every region of this country, from the west coast, the north, the east coast, Quebec, Ontario and every region of the country.

They say that the direction of the current federal government is to decrease and then cease transfer payments for medicare and that this will promote undue hardship on the provinces to keep our universal health care system. Inequities in sexual and reproductive health care will result due to this withdrawal of funding. Universal health care is what makes Canada and Canadians special.

Therefore the petitioners request that Parliament recognizes the value of our universal medicare system and the five principles of the Canada Health Act to provide publicly funded, comprehensive, universal, portable and accessible health care for all Canadians.

It is particularly appropriate to present these petitions today in view of the vote that was just taken. I hope Parliament will listen to these thousands of petitioners.

EAST TIMOR

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, it is my honour and privilege to present a petition signed by several hundred Canadians from Courtenay, Ladysmith, Comox, Victoria, B.C. and Toronto, Ontario.

I think it is especially appropriate that this petition appear on the day when Ali Alatas, the foreign minister of Indonesia, is in the country trying to put the best face on the illegal occupation and genocide that is happening in East Timor.

These people are calling on Parliament to condemn the Indonesian military occupation of East Timor, the genocide of the East Timorese people, to support publicly the right of the East Timorese people to determine their own destiny by referendum and free elections, and to support these causes in the United Nations and all other international arenas.

EXTERNAL AFFAIRS

Ms. Barbara Greene (Don Valley North): Mr. Speaker, the first petition I have to present today is unfortunately out of date. I sent it in last November but I have only now had it certified. However I did provide the minister with a copy of it immediately.

The petition calls upon the government to do a number of things which have all been done: to recognize Slovenia and Croatia. Everything here has in fact been done quite fortunately.

FAMILY REUNIFICATION

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have three petitions concerning the issue of family reunification. They contain the signatures of people from the Toronto region and across the country.

They call on the minister of immigration to issue minister's permits for spouses and dependent children of persons who have been determined to be convention refugees and to allow them to be reunited in Canada for inland processing.

GOODS AND SERVICES TAX

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have the privilege of submitting two sets of petitions to the House, pursuant to the proper standing order.

One set of petitions comes from constituents who continue to oppose the GST and who want the government to look for a more simplified, efficient and fair tax system in this country.

THE ENVIRONMENT

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, the second set of petitions comes from constituents who want the government to honour the commitment it made in 1988 to begin reclaiming the Great Lakes and specifically begin by taking on the most polluted river in Canada, namely the Don Valley River.

They are hoping that in the not too distant future the government will honour its commitment.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 102 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House that Question No. 102 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

*Question No. 102—**Mr. Duhamel:**

Since November 21, 1984 (*a*) what is the total of all grants for programs which have been awarded to the constituency of Saint-Boniface (list of grants and amounts of each) (*b*) what constituencies have received (i) the most (ii) the least total funds in terms of grants for the same time frame?

Return tabled.

* * *

QUESTIONS ON THE ORDER PAPER

[*English*]

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

[*Translation*]

THE BUDGET

DESIGNATION OF ORDER OF THE DAY

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 83(2), I ask you to designate an Order of the Day for a budget presentation on Tuesday, February 25, 1992 at 4.30 p.m.

GOVERNMENT ORDERS

• (1540)

[*English*]

FARM PRODUCTS MARKETING AGENCIES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. McKnight that Bill C-54, an act to amend the Farm Products Marketing Agencies Act and other acts in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

The Acting Speaker (Mr. DeBlois): At the suspension of the debate the hon. member for Winnipeg—St. James had the floor to answer some questions.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, this will not take long. I was answering a question from my colleague for Parkdale—High Park who was pointing out that in the state of Bavaria in Germany farms are being subsidized as tourist attractions. It simply underlines the fact that countries will find one way or another of subsidizing their agricultural producers.

I want to add something to that and it has to do with the family farm. If we lose supply management, if we lose our marketing boards, I think it will result in a major loss of the family farm. It will accentuate and further push the trend toward larger and larger corporate farms.

Travelling through western Canada now and seeing some very well kept family farms is something to behold and something to look forward to. If we lose our supply management system, if we lose marketing boards, we will see fewer and fewer of those lovely family farms. It is not only in my opinion bad agricultural practice to lose family farms but we will lose some of the aesthetic beauty as well.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, it is with somewhat mixed feelings that I rise today to speak to Bill C-54, an act to amend the Farm Products Marketing Agencies Act.

I work with and talk frequently to the cattle producers in my area and throughout Saskatchewan, most of whom encouraged me to support legislation which they told me would provide the cattle industry with a check-off to help market its product in Canada.

Among those supporters of the beef check-off were Lynn Biggart from Cut Knife, Saskatchewan, an active lobbyist and participant for and in the Canadian Cattlemen's Association; John Feige from Parkside, Saskatchewan, president of the Saskatchewan Stock Growers' Association; and Grant Cadieu from Spiritwood, Saskatchewan, son of the late Bert Cadieu, a former member of this House and a long time and tireless worker on behalf of Canadian Hereford breeders. All three individuals are qualified, respectable spokespeople for their industry. When they talk to me I know they represent many other producers in whatever they have to say.

I have therefore been aware for some time that there was a cattlemen's lobby under way to secure funds or to help secure funds to help this industry deal with some of its most pressing problems, in particular the fight against low cost, highly subsidized European beef being dumped into the Canadian marketplace.

The idea for a check-off for cattle is one that was presented to me in a very positive way, a way that reflected a very real need within the cattle industry. I was receptive of the idea for a number of other reasons as well.

Earlier this year I attended the Northwest Hereford Club's annual meeting and I heard about the positive steps taken by people involved in the marketing of Hereford beef in Canada. I was impressed and therefore I thought that if the beef industry could take the ideas the Hereford breeders were incorporating into their work further then all producers in the beef industry could benefit.

I have already been impressed by the marketing ideas and promotions mounted by the supply managed sector. You know what I mean, Mr. Speaker, because you have seen the television commercials of egg producers, the let's get crackin commercials. Dairy people have the milk, it does a body good promotion. There are the recent butter commercials with the asparagus and the carrots dancing around on the television screen. These are great promotions. They have served their industries well and are helping to promote and produce good quality nutritional ideas among the Canadian public, certainly ideas that we all have to take to heart. They are also ideas that help us enjoy the fruits of the labour of Canada's farmers.

Third, I was receptive to the idea of check-offs. I am already knowledgeable of and supportive of the check-off system in the work place where wage earners have a small portion of their regular salary deducted and used in their collective interest during the bargaining process. In the work place this is called the Rand formula and it recognizes the fact that all employees in a specific work place benefit from the collective bargaining efforts of those who were elected to do the bargaining on their behalf. Therefore, because all members benefit, all members of that bargaining unit must pay toward the achievement of that success.

The cattle check-off, therefore, seemed to me to be just an extension of the Rand formula into the cattle industry. Everyone pays for the benefit of everyone else.

I was about to congratulate my friends in the beef industry for recognizing the positive and long-lasting benefits of co-operation and socialism in their industry until I received a copy of Bill C-54 and had a chance to read and analyse it, I realized that I was not entirely correct. This is not the legislation I was expecting. The legislation is not exactly as it had been described by my friends in the cattle industry. It is not the legislation I had thought I could support without question or concern. It is really nothing more than this government's attempt to tax the individual producer one more time, provide producers' money to projects over which after they have produced it they relinquish all control and influence over the funds that are expended on their behalf.

Not only do I see this as just another tax bill, but it is also a bill which denies accountability for the money raised.

While Bill C-54 will give my friends in the cattle industry a check-off, I do not think I can support the bill as it stands. I hope they will continue to pressure the government for amendments to this bill at the committee stage, or in fact to write new legislation that will give them exactly what they do want, which is an opportunity to participate in the marketing of their product.

There is no question in my mind that the act before us requires more study, because I am not confident that it can stand up to the scrutiny of the many producers out there who want to see the product they grow and sell for their livelihoods promoted and sales increased as a result of that promotion.

It is possible that Bill C–54 will just end up being viewed by the producers as something with the same efficiency and effectiveness as the government's introduced and implemented GST. It amounts to nothing less than another tax, something that reduces the value of their product at the point of sale.

Our goal in this House, and let us make no mistake about it, is to ensure that funds taken at the farm gate translate into higher prices for the producer. Our task is to find the proper tools to achieve that goal.

According to the information provided by the minister prior to the drafting of this legislation, the commodity groups who are pushing for check–off legislation said they wanted check–offs that were commodity based, producer or membership controlled and accountable. This bill does not go that far, extending accountability only through the start up phase.

A majority of commodity based producers must agree to set up the agency in question, but then the membership of the board can be appointed by the minister.

• (1550)

The commodity group membership may never have to be asked for their input again in the process of the operations of the agency.

I realize that organizations that operate with a democratic structure will remain somewhat or totally accountable for these agencies. There are other organizations out there that are not all that democratic, and that makes this legislation unfair to the producers within those commodity groups.

Check–offs are seen as an effective means of promoting self–reliance and shared responsibilities. I agree with that entirely.

The minister knows how well the supply managed commodities have done in this regard. My colleague, the member for Mackenzie, outlined this quite clearly in his intervention in this House last Wednesday when the bill was first debated.

This is a time of economic difficulty in rural Canada. Mr. Speaker, I do not have to tell you or anyone else in this House, or anyone else in Canada for that matter, that this is a time of difficulty in rural Canada. It is an all too obvious fact.

The fact that there were some 25,000 or, depending on which media you listen to, 40,000 farm people on the Hill last week protesting and demonstrating in support of the supply managed sector in this country indicates how serious the economic difficulties in rural Canada are at the moment.

During times of economic difficulty people in rural areas pull together. They co–operate to help each other out. Our history provides many examples to illustrate exactly what I am saying. That co–operation was evident on the Hill on Friday when the producers demonstrated their support for supply management.

To see the cattle producers and other agricultural commodity groups pulling together at this time to try to improve their economic well–being is only natural. I wish them well, and I hope that they will do as well in the future as some of them have done in the past.

Therefore, I support the amendment before us which would send the bill to the agriculture committee for further study.

The concept of a check–off for the cattle producers and others is a good one. It is an idea, a concept that requires further reflection, analysis and understanding to ensure that the final bill which we approve in this House will serve the interests of the cattle producers and the community in which they live, not just the interests of the industry group they are involved in.

These are valuable and worth–while goals to be achieved. Just as I respect the work of my friends in the cattle industry, I also respect the work of my colleagues on the agriculture committee. I trust that they will do the right thing when Bill C–54 comes their way.

Mr. Speaker, I thank you for the opportunity to say a few words here today on this important act. I will save further comments for the committee stage and the third reading debate of this bill after it has had the study that I know it will get in committee.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I could relate very well to the hon. member's comments about how serious the economic situation is in rural Canada.

It is serious when one spouse has to work at another profession, whether teaching or nursing, to supplement the farm income, or when the equipment, such as a tractor, that used to cost $40,000 now costs $150,000. I honestly do not know how these farmers are making ends meet.

Since he is very knowledgeable about the crisis in the rural parts of Canada, I would like to ask the member what recommendations he would make to help alleviate this crisis if he were in government and if he were a minister of agriculture.

Mr. Taylor: Mr. Speaker, I wish to thank the member for his question. I feel quite flattered that the member would consider my views to be worthy of an agriculture minister in this country. I feel very confident that in the next government I will perhaps be given the chance to ask my leader for the opportunity to serve this country in that or any other position on the front bench opposite.

I agree with and recognize the stress apparent in the farm community emphasized by my colleague and the hon. member. The circumstances in the rural community are primarily agriculture based, but they go beyond that.

As the stability of agriculture has been eroded so too has the infrastructure of the rural communities of Canada. The school systems, the health systems, and the business community in the rural parts of Canada have diminished considerably because the stable economic structure of agriculture is not there to support it.

I have seen all too often in my own province communities disappear. That situation began because fewer and fewer farmers were working in the vicinity of a community. As the farmers moved off the land the numbers of people who attended the local church and the local school and were available to purchase goods in the local stores or utilize the facilities of the local recreational centre, skating rink and community hall decreased. This created a situation in which all of a sudden that community ceased to have viability.

When we talk about the policies and the programs that we need to put in place we must first examine the viability of agriculture, we must look at securing an economic base for agriculture so that we can maintain the populations on the farms to ensure that we have people in the vicinity of rural communities to support the activities and the structure in the rural communities.

First and foremost we must have policies in place that will provide for that economic stability in agriculture; that means a good price for farm products, whether beef cattle, hogs, grains, oilseeds or the cereal crops that are grown on the prairies.

We also need programs to address the needs of the rural community itself to which people from the farms have often gone to retire. We need programs that deal with housing and other issues.

Mr. Speaker, you are signalling me that my time is up. I hope that over the course of the next year many of the ideas that I and the members of my party are actively engaged in examining to address the needs of rural Canada and the election platforms that are put forward will prove to the Canadian people that New Democrats have a different and more positive way of viewing the changes required to secure economic and social stability in rural Canada, and that Canadians will give us the opportunity to put those ideas into practice when the time comes.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, perhaps today we should be looking at the original legislation brought in 20 years ago, proclaimed in the other place in this Parliament in early 1972. That legislation was the basis upon which our national marketing agencies were built. Agencies that were built on the foundation of the legislation passed in this House are now on the verge of being destroyed in secret negotiations behind closed doors at the GATT with no real input from this House.

• (1600)

This legislation was unique in its nature because in the British North America Act the various areas of jurisdiction within this country were laid out. For example, marketing within a province was a provincial jurisdiction. We refer to that as intra-provincial trade. When a product crossed a provincial boundary or was exported it came under federal jurisdiction. We refer to that as inter-provincial trade and export trade.

In addition to export trade, which is federal jurisdiction, the powers of the federal government were melded with that of the provincial governments in terms of marketing legislation. In turn, the provincial legislation had to call upon another piece of federal legislation, the Agricultural Products Marketing Act, to get more of the powers they needed to operate effectively.

This was Confederation working at its finest. When we had federal legislation looking after the trade within Canada between provinces federal-provincial agreements were developed and signed by all provincial ministers of agriculture in this nation to work together in an harmonious way and create order out of chaos. In the late 1960s and early 1970s there were trade wars going on within Canada between the provinces. This legislation and the resulting marketing agencies which were set up created order out of that chaos. It brought a level of stability to this nation for producers in the poultry sector. The poultry farmers of Canada were here on Friday with their counterparts in the dairy industry, which operates under different legislation, to defend that legislation and ensure that the government does not trade it away.

It is also unique in that each producer was assigned a quota for a system of planned production, a system of planned production that ensured that Canadian consumers had adequate supplies of high quality foods at a reasonable price. They had some of the best production in the world with no shortages of supply, no chaos at the farm gate level. The processors had a reasonable return for their efforts and unjustified increases in price did not take place.

These organizations had to work under government supervision at both federal and provincial levels. There were two classes of orders and regulations that had to be prior approved by the supervisory body, the National Products Marketing Council. Any change in price had to be substantiated by the cost of production formula.

The over-all annual global allocation also had to have prior approval. It was a system that not only worked well for the producers of this country but ensured the continuing share for each province. The poorer provinces of Atlantic Canada certainly had a level of stability and an alleviation of fear about their operations. Their operations could not be wiped out by a couple of van loads of eggs from other provinces dumped on their markets to depress the prices. It also provided a level of income which they had not seen for years and years.

In February 1972 I bought eggs at 19 cents a dozen at the same time as those eggs were selling at a supermarket in Toronto for 56 cents a dozen. The production cost for that product was a minimum of 38 cents a dozen. No wonder there was chaos in the marketplace.

This act brought stability that has lasted for 20 years. Now it is threatened and may be traded away. We can be proud as Canadians that we were able to develop such a system envied by producers in other parts of the world, not only from the United States, whose farmers were on the hill on Friday supporting us in our efforts, but farmers from Europe and other nations. They wanted to help us defend a system being threatened by the forces of transnational corporations who want to destroy the most sophisticated system in the world. It has not contributed to world surpluses. Yet we have not once seen the government come to the defence of these systems which have been under a concerted attack in the media, an attack that started on the floor of this House in October 1990 as a result of a statement made by the Minister for International Trade, an attack that has continued to this day in the media.

In fact, at 6.30 last night on one of our television networks here in Canada, a former negotiator of this government, who negotiated the free trade agreement, stated that these boards are bad for the country, bad for the consumers and should be done away with.

Mr. Milliken: He was bad for this country.

Mr. Ferguson: Absolutely. Look what he did to us in the free trade agreement. Now he is having second thoughts. The hon. member for Kingston and the Islands says he was bad for the country. Now he is having second thoughts. He finally woke up and he is realizing this. Now he is targeting the poor farmers of this nation who provide us with such ample supplies of food.

It is obvious that these statements are a reflection on the government's true intent to end these systems that have not received one cent in government subsidies since they were established. They provided adequate supplies of top quality food, the best quality food of any country in the world, at a reasonable cost to consumers. The price setting mechanisms for these agencies and the production targets of course, as I mentioned earlier, have to be prior approved through regulation by the National Farm Products Marketing Council and receive the blue star approval of Privy Council. Thus the interests of the processors, the producers and the consumers are protected.

I was shocked on February 12 when the Minister of National Revenue announced an export tax on tobacco. There is quite a story behind this. In this House in the last few days of the previous government we brought in an amendment to amend the National Farm Products Marketing Agencies Act to include tobacco and tobacco products, a simple amendment just to add those words.

A member of the Official Opposition at the time stood up and refused unanimous consent, even though thousands of tobacco farmers were protesting on the Hill. That refusal came from the Official Opposition benches at that time. Then the letter from the Leader of the Official Opposition—

Mr. Lewis: On a point of order, Mr. Speaker. I think the hon. member is making a well reasoned speech but he just made an allegation that a member of the opposition refused unanimous consent. My hon. friend knows that there is no way in the world that he can back up that statement and I think it should be struck from the record.

Mr. Baker: Mr. Speaker, on that point of order, if you go back in all of our precedents dealing with this question, you will find that a member has a perfect right to say in this Chamber that the nay came from a certain side. He does not have a right, however, to say who gave the nay. For the minister to stand up and raise that as a point of order draws attention to the fact that it was at the time the Official Opposition that refused.

Mr. Lewis: That of course is completely specious and my hon. friend knows it. I will be glad to wait around to give him time to look that word up in the dictionary. It is absolutely improper to reflect upon who said yea or nay in a vote or to refuse unanimous consent. My hon. friend knows it. My hon. friend is an experienced member. He is in full flight in his speech. He is on the front bench of his party, which may be easy to do these days. I think my hon. friend knows better than to reflect and make an allegation like that. I would suggest that his speech would be better phrased if he left that kind of citation out of it.

Mr. Flis: Before making a ruling, Mr. Speaker, I think it is very easy to check *Hansard* of the day and to check that it was on the other side of the House where the nay came from.

• (1610)

As my hon. member mentioned, we do not mention names but we do know where the nay came from and where the unanimous consent was not given.

There has been no minister here all afternoon to listen to this important debate. Now a minister trounces in to raise a point of order. That is how interested they are in the farmers of this country.

An hon. member: A phoney point of order.

Mr. Flis: Correct.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I think that hon. members on all sides were able to convey their message and I ask the hon. member for Lambton—Middlesex to return to the debate.

[*English*]

Mr. Ferguson: Mr. Speaker, I want to make it very clear that I did not name the member who refused to give consent, nor the constituency he came from.

I believe *Hansard* will speak for itself if we look that up. I was present in the House at the time.

Less than two months later, the Leader of the Official Opposition at the time sent a letter to the Ontario Tobacco Marketing Board dated August 17 or August 19, it does not really matter. It assured its members that if they formed the government, it would give them their tobacco marketing agency. There is no tobacco marketing agency yet today.

The suggestion that they are on the side of the farmer has to be closely examined, but I want to just go on to the announcement of February 12 and the export tax. To put a tax on the export of tobacco—the purest tobacco of any country in the world with less tar, chemical and nicotine content of any country in the world—will simply destroy the export markets.

Today I received a call from three growers in my riding who immediately realized the damage that has been done to their industry. Bill Thuss and Tony Sleagers of RR3, Strathroy and Gene Vineue of RR2, Strathroy advised me that one of the major tobacco processing companies in Canada, R.J.R. MacDonald Inc. is no longer purchasing tobacco for export markets as a result of this tax.

It will in fact destroy those export markets and destroy jobs here in Canada. It will force the countries purchasing tobacco to buy inferior products that contain more tar, nicotine and other chemicals than our Canadian product does.

I ask this government to reverse its position. It is simply not acceptable. It is a further nail in the coffin of this industry in Canada. Those countries will be forced to buy from another market and buy a product even more injurious to their health than Canada's tobacco.

I also ask the government to stop delaying tactics regarding a marketing agency for apples. I know the original act calls for the government to establish these marketing agencies through proclamation when it is satisfied, following plebiscites or declarations, by Lieutenant-Governor in Council or by other means, that the majority of producers in Canada or regions of Canada are in favour of such an agency.

The words "by other means" according to the Department of Justice interpretation I received in 1974 could be a petition by producers. What is the delay? Will this government accept a petition by producers to get the apple marketing agency under way? An agency is required to stop the importation of products grown under very, very cheap labour in other parts of the world. These products have been imported to Canada and are destroying the orchards of the producers who own them.

These products are perhaps treated with chemicals, herbicides and pesticides that are banned in Canada. We have a zero level of tolerance on these imported goods. How can the Canadian consumers expect to have quality products if we have one set of standards and the government allows importation of other products treated with chemicals that are not allowed in Canada?

I want to go just a little bit further. I believe this government intends to destroy the agencies we have. Page 119 of the free trade agreement under definitions chicken and chicken products means chicken or capons, live or viscerous and chicken parts, and so on. It goes on to point out that without limiting the generality of subparagraph 1, there are 13 different types of further processed chicken that are not considered to be chicken. All they have to do is process it in the United States: chicken Kiev, chicken breaded Kiev, chicken cordon bleu, chicken breaded cordon bleu, and so on. Now the door is wide open for further processed products. Yet we have an agency that is going to be destroyed.

I am very concerned about the legislation before us today. I hope I have laid the ground work and legislative history of this act and why it was brought in. It is an act of this House that may be disembowelled by the actions at GATT because the amendments will allow the agency to be set up to collect levies for research and promotion. Is this a set-up for when these agencies lose their effectiveness under the GATT negotiations? Is this what is happening? Does the government intend to disembowel these agencies; take away their powers to establish a system of planned production to market their products across this nation; open the door to products that are produced in other countries under a different set of standards and regulations than they are here in Canada? I have to wonder.

Although they could carry on as agencies, they would have no powers of pricing, establishing quotas or providing any degree of stability to primary producers.

Of course under the Farm Products Marketing Agencies Act, the import controls come from the Import Export Control Act. It has worked very well over the years. It is administered by another department. It does not come under the jurisdiction of Agriculture Canada. If there is a shortage of a product developed here in Canada, they are allowed to bring in a specified amount of the product.

I should point out that when these original agencies were set up, the quotas were established to reflect the level of production of the previous five years for that particular province or the individual producer involved. The amount of imports was set up on the same basis of the average amount of imports allowed into this country over the previous five years. What could be fairer than that?

Under article XI of the GATT, if a country has its production established under restrictions, those same restrictions shall apply to imports. Consequently I think it has been a very fair system and I am very fearful that this piece of legislation will go hand in hand with the government's intent to sell those producers down the tubes at the GATT. That will put us not into an interprovincial trade war, but into a multinational trade war that will threaten to destroy this country, our standard of living and all of rural Canada.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I appreciate the opportunity to ask the hon. member for Lambton—Middlesex a question or several questions.

I listened with a great deal of interest to his very reasonable and objective assessment and review of the legislative history of the Farm Products Marketing Agencies Act.

I too was here in those periods of gestation when there was a milk war and a chicken war between provinces. That really laid the groundwork for us to come together and provide this House with the debate on the Farm Products Marketing Agencies Act. It in effect allowed supply management and marketing boards in many of the designated products.

The member is correct. I am not sure who said "nay". I think it is a little more tangled. I did not get into that part of the debate between the Solicitor General and the hon. member who is very experienced, not only as a practical farmer in Ontario, but briefly as Minister of Agriculture before the government changed.

• (1620)

As I heard the debate I was thinking that there is a little more to it. I remember there was an election and there were farmers outside. I was very interested because I have tobacco farmers right in the heart of my riding in Atlantic Canada. They were very interested in this small little amendment of getting tobacco named as a designated product. There was quite a history. I know that the climate was certainly not too conducive to resolving issues on the basis of logic at that particular time. However, history and *Hansard* will show who said what.

I really do appreciate the minister and the ex-minister, the member for Lambton—Middlesex, reviewing that history. It is a sad state and Doug Fisher is totally right. My time is moving so I had better get to my question about the state of this Parliament and where the debate really is. Really the action is outside. This place has become more or less a charade. This is an issue that brought more than 30,000 farmers, and I thought the farmers were rather silly to even suggest that type of number. We all know how to arrange political meetings. You make sure you have a small hall then you manage to expand it. You do not have a large hall only half empty. Whether it is 30,000 or 40,000, you can argue the figures, the place was packed. It would have been more politically interesting to have 10,000 or 15,000 coming and then show up with 30,000 or 40,000. However, they were here.

They were here Friday. Today we have other problems, as Question Period showed. There are plant closures, cod problems, et cetera, et cetera. Yet there was very little discussion of what happened Friday, because it is still out there.

I wanted to ask the hon. member about the fear he has in terms of what is going on in the GATT. Quite frankly I think that is going to be almost as much of a moment of truth for the farm community affected by supply management as anything that is going to come out of the constitutional committee that is hopefully going to be tabled here on Friday. It is fundamental.

My time is already starting to run out before I can get to the question. However, one question is, and I alluded to it in a question to the Minister for International Trade in Question Period, can this member, with his knowledge, rationalize how the Americans intend to maintain article XXII, which provides them with supply management protection, if we do not receive clarification and strengthening of article XI?

Mr. Ferguson: Mr. Speaker, I want to thank my friend, the member for Annapolis Valley—Hants. I have often admired him. He is very astute in his observations.

One of the things he mentioned was that a lot of the action takes place outside of this place. He is absolutely right. I refer to the fact that these agencies may be destroyed, agencies which were set up under legislation established on the floor of this House and I believe he was a member of the House at the time. They will be destroyed in secret negotiations outside of this House, negotiations that are perhaps only beneficial to the transnational corporations I mentioned.

He was also absolutely right in his comments regarding the rising tide within the United States of what is happening in terms of these GATT negotiations. He referred to article XXII of the GATT which provides a waiver for the United States to control the importation of dairy products, sugar, peanuts and cotton.

We talk about cross-border shopping. The Canadian farmer could not sell milk, and neither could a store, to an American to take back across the border because of that GATT waiver. If we are thinking of doing away with article XI and not fighting for it while we let the Americans keep article XXII or the GATT waiver then there is something wrong in this country. Even though 64 American senators sent this letter to the President, even though dairy farmers in the United States were here supporting us the other day on the Hill because they want a similar system, and even though legislation passed through the United States Congress last June, it was vetoed by the president.

I was shocked when I heard one of the reasons it was vetoed from one of his assistants. They were afraid that there would be increased costs to the consumer in the United States.

The American farmer gets just a little more than half what we get for our milk. They are going bankrupt by the droves. We have the best system in the world. We have to keep it.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have a very short question for the member for Lambton—Middlesex.

He has produced this document *Compare the Share*, which is an excellent document. However, what bothers me about a document like this, subtitled *Canadian Farmers Need a Fair Share of the Consumer Food Dollar*, is that when we are dealing not only in the House of Commons but in our offices and out on the front lawn—

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Parkdale—High Park.

Mr. Flis: The hon. member refers to a very important document. I wonder if he would be kind enough to table it in the House.

Mr. Mills: Absolutely. I would be happy to table this document produced by my colleague from Lambton—Middlesex. I have to ask the question and then I will table it.

The difficulty I have, as an urban member, is in trying to understand why the national media, with the exception of one or two journalists, has not taken this document and gone through it to help educate the people in the urban areas. I would specifically like to ask the member that question.

The final part of my question concerns *Looking Ahead: Phase Two* in this document, which points to a direction in which we should be examining corporate concentration in the wholesale distribution and retail food industry. I find that very interesting. I know a lot of people in the retail food industry who are quite proud of the prices they are giving consumers. Yet we also know that the farm gate is very low in relation to that price.

I would like to ask the member for Lambton—Middlesex why there is no national media coverage of something that has been promoted around this House of Commons for almost a year? Second, how do we get a task force on corporate concentration in retail and wholesale?

The Acting Speaker (Mr. DeBlois): The hon. member, in 45 seconds.

Mr. Ferguson: Thank you, Mr. Speaker. The national media have not picked this up, but other media have. It was in the *London Free Press*, and newspapers in New Brunswick carried full-page ads this last week. I am delighted with what has happened across Canada. Some of the churches are handing it out, as are other organized groups, such as the British Columbia dairy farmers, the Dairy Farmers of Canada, and so on. I am just delighted with what has taken place. However, I believe that the national media may very well be part of a concerted attack on our marketing board system.

However, as for *Looking Ahead: Phase Two*, I want to advise my colleague for Broadview—Greenwood that phase two is about 80 per cent complete. It is coming along very, very well. We are looking more at the distribution sector and the profit centres. We do not think the corner store is taking more than a reasonable mark-up. In fact, a lot of them are working with a very narrow margin of profit.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before we resume debate, I would just remind you that only ministers can officially table documents. Nothing prevents hon. members from leaving documents for information purposes at the table, but that is not a formal act of tabling.

An hon. member: Perhaps if we had unanimous consent.

[*English*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to table that document?

Some hon. members: Agreed.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am delighted to join the debate on Bill C-54, an act to amend the Farm Products Marketing Agencies Act and other acts in consequence thereof.

• (1630)

On the surface the bill would enable the establishment of a national agency that hopefully will have the authority to collect levies on domestic and imported products to support research and development to help our farmers. Perhaps it is difficult to argue against that. However, can we trust this government?

Only recently we have seen a series of actions on the part of this government which make this bill look like a charade, make-up, and camouflage. Why is that? Very recently we heard the debate about the GATT proposal that would require Canada to abandon the import controls it now uses to protect dairy, egg and poultry farmers from cheap imports and replace them with a system of tariffication. That is not acceptable to the egg, dairy and poultry farmers.

This GATT proposal is most definitely a consequence of the pressure being placed by the United States on Canada. Shall we resist it? Shall we resist it with all our efforts? I submit we should.

What is at stake in this GATT proposal is the survival of the supply management system, the marketing boards that in essence provide a stable income and fair return on the cost of the labour and industry of our farmers. This system provides Canadians with a steady supply of quality foods now and in the future and ensures an orderly system that spreads opportunities for all from coast to coast.

At stake, under this GATT proposal, is the viability of a $10 billion industry and 100,000 jobs. It affects farmers, their families and other communities for they are the businesses that supply farmers and the processing plants that rely on the raw products from the farmers. If you kill the egg, dairy, poultry industry you kill many more. There is a domino effect on the other industries in the country. Ultimately, the consumers will be affected because the very survival of a self-sufficient national food system is put into peril.

Were this sad scenario to occur, and I hope it does not, we would not be able to preserve our arable lands that are environmentally friendly.

In Manitoba, and across the country, we have seen a steady rise in the number of those who must receive welfare to survive. We have seen a steady rise in the number of unemployed. They would like to find jobs but they cannot find one. In Manitoba there has already been an increase in emigration, in the exit of people from my home province of Manitoba to other provinces. Therefore, when we heard about the GATT proposal it was yet another blow which created a sense of pessimism and gloom, as has also been indicated by the National Dairy Council of Canada. At this juncture, allow me to read a news report from the *Winnipeg Free Press* of Saturday, February 22. It is titled: "Couple Fear for Future of Dairy Farms". It reads in part:

"Wayne and Teri Fuchs are expecting their first child but they don't know whether their future son or daughter will grow up on a dairy farm. The couple, who milk 25 cows near Steinbach, are worried that a new international trade agreement being negotiated in Geneva will set off a chain of events that will force them off the farm".

That is fear, fear on the part of Canadians who now have farms. They fear for themselves today and they fear for their children tomorrow. So Canada must fear for itself.

Shall we allow this government to sacrifice a primary industry to its unfettered free market dogma? The answer from Canadians is an unequivocal no.

On July 22, 1988 in Geneva our former trade minister said, and I quote in essence: "We are not going to accept any settlement of this GATT round that is going to endanger our dairy farmers".

Three and one-half years later, 40,000 farmers braving sub-zero temperatures gathered on Parliament Hill last Friday. Yet the Prime Minister did not have the courage nor the courtesy to talk to them, to hear them, to learn from them.

In 1987, one year earlier, the government's initial proposal respecting the GATT negotiations today was a strategy toward tariffication away from the marketing board, away from supply management which is opposite to the present claim that is being purported in this bill. No wonder I doubt the sincerity of this government.

When I heard the eloquent presentation of my Liberal colleague, the hon. member for London—Middlesex, I could not help but truly thank him for his excellent presentation. It makes Canadians know the real sincerity of this government.

I ask whether we can trust this government. Let us examine the trade minister's letter of last month to his colleagues on the government side. He said that Canada would not withdraw from the negotiations even if it loses supply management.

Now we have this Bill C-54. What do we believe? On the surface the bill if passed will enable some degree of control on imports. It will thereby ensure collection of levies that will help promote research and development for the farmers and producers.

I ask again whether we can trust this government which has been rejected by 90 per cent of Canadians today?

The farmers at the farm rally last Friday asked this government that they be allowed to stay on their farmlands for another 125 years. Let us allow it to happen.

Let us recall some of the messages on the placards that they brought with them. I will read a few: "Farmers' Survival Means Canada's Survival", "Canada: The Third World Country", and "I Cannot Farm If You Do Not Help".

In conclusion, while I would like to see beauty in this bill, while I would like to see an element of protection for our farmers in this bill, that cannot be guaranteed until this bill is fully and critically examined at the legislative committee. Then we can ensure it truly will be a tool that will keep our farmers on their lands for another 125 years.

• (1640)

I must say that food is a social glue in any society. Our farmers deserve their survival and deserve our support.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I appreciate this opportunity to speak on this bill.

Governments generally, and maybe this government in particular, are not interested in having one unified voice for all Canadian farmers. The government is having enough trouble as it is with the present situation that its somewhat retarded reaction on GATT has brought to the farmers across Canada.

For the first time in many years the farmers under the marketing boards and those outside have felt the need to come together and take an established position which recognizes the need to defend farmers.

Grain growers, poultry producers, dairy farmers, they are all fighting together the position the government took on GATT originally and which it has moved away from but also are trying to bolster the position it claims to have now.

They are trying to make sure that the negotiations the government is having at GATT will not devastate supply management and supply managed marketing boards. They are not feeling very happy with the position the government has taken.

In these amendments to the Farm Products Marketing Agencies Act, the government is doing a number of things, none of which is going to improve the act particularly.

First of all, it is repaying a political debt to certain groups of producers. It is continuing to divide the farmers. If one group of farmers does not say what the government thinks it wants to hear, it will try to organize another group of farmers. That group will be given some responsibility and the government will expect to hear the answer from it.

The government is not interested in hearing one single voice from the farmers when it can hear a wide variety of voices and opinions. If it gets advice that it does no like from one major group, it can always go out and create another group. That group will tell it exactly what it wants to hear. Then those farmers who have stated the government's point of view will have some ability to operate within the system. That is the payment of the debt.

The government is also making sure that supply management and marketing boards do not proliferate and become stronger. In fact, the government may be driving the marketing boards further down by passing these amendments.

The effective promotion of marketing will be considerably diluted by the possibility of a dozen or so other agencies which will suddenly take to the field. Therefore, we will have less funds to establish the kind of marketing that has been done by the established agencies.

It is ironic. The marketing boards should not worry because at the level at which the government has been supporting them at GATT there may not be any supply managed marketing boards left after the next GATT negotiations.

It would mean that the government would have succeeded in doing what it has been trying to do for the last many years.

This government is ideologically opposed to marketing boards. Everything it has done over the years has indicated that, even to the point of its position as far as the Wheat Board is concerned. It is not a supply managed marketing board but has been affected by lack of support by this government.

Bill C–54 before us is a proposal to amend the Farm Products Marketing Agencies Act and other acts in consequence thereof.

This legislation has been around for 20 years. It was an attempt that worked marginally and in many cases worked very well along with the Dairy Marketing Act for those 20 years in providing the farmers with the marketing tools needed to become self–reliant market oriented individuals across the world but particularly in the Canadian domestic market.

These amendments will have the effect of limiting the effectiveness of the original legislation. We have not been a smoke and mirrors operation because this legislation will allow a few organizations to form agencies to do the few things they want to do without having to deal with the original act. That act required a considerable amount of work and organization on their part.

If this act is amended, they will be able to change that structure and become an organization which can do promotions, collect money for promotions and possibly do research. Even that has been dealt with rather differently than in the past. On the surface these changes may seem innocuous. In actual fact they may have the effect of limiting the effectiveness of the original bill.

These marketing boards that have been established under the act have all of the rights that are being put in place by the amendment of this act. If anyone of the agencies wanted the ability to establish levies or to raise fees, it could do so under the present act. It would mean that it would have to organize a marketing board of some sort to be able to do so.

The present act has functioned well in Canada. The reason it has functioned well is that there have been similar acts in each of the provinces. These acts permit the establishment of marketing agencies across the country as well as marketing boards within each province.

This process has allowed them to establish an umbrella organization which can do the kind of promotion and work for the development and marketing of the particular product being produced.

What the government is proposing here today is to set up a companion act which will permit the establishment of very similar agencies. These agencies would simply take funds from the producers by way of check–off and then permit a producer group to administer those funds in what is called promotion of the product without any necessary reference or responsibility to the producers initially. I consider this a very inefficient way of doing what the government wants to do.

• (1650)

In terms of straight efficiency and furtherance of a market oriented approach, the government has left this up in the air. What it intends to put in place with these amendments is a second tier of this particular legislation which would develop into a second tier of agencies as well.

These agencies would exist along with the present agencies for poultry, eggs, turkey, hatching eggs and so on, but it would not have the somewhat difficult requirement of organizing and making sure that we have all producers on the same side. A few producers would be able to control the market pretty generally in this particular situation.

I have another concern about this particular legislation, that is the inclusion of imported products. We will no longer be extolling the virtues of the Canadian product, say Canadian beef for instance, but we will be using Canadian money to help sell and improve the marketing of imported products. The U.S. has been doing this to us for many years. It has been putting a tax on our product which it then uses for developing the sale of our products in that country to some extent. At the same time it has put in place customs duties which make our product considerably more expensive relative to its product.

Supply management has been good for producers. It has also been good for consumers. The Consumers' Association of Canada has been very short-sighted in its approach to the effects of supply management. It does not really understand the structure under which supply management has been put in place. By having secure producers we have a secure supply. The Consumers' Association will say that we are paying more than we would need to pay for products produced under supply management.

However, as the member for Lambton—Middlesex told us a few minutes ago, if we take dairy as an example, we possibly pay more for our dairy products now but we do have a secure supply. The dairy producers from the United States who were here the other day told us that they were starving with their system, that they would not be around very long, and that the only organizations that would be producing dairy products in the United States would be those organizations that are vertically integrated, the transnationals that have put themselves in a position to take over the industry as it collapses.

Once those industries have control of production in the United States, the prices will go up according to what the market can accept. If by that time we do not have any producers in Canada, which is the logical conclusion of the GATT negotiations that are supposedly going on, then there will be no farmers there to keep the price down at the cost of production level, which is all that you and I pay for, Mr. Speaker, when we buy dairy products, eggs, poultry and so on produced in Canada.

We pay the cost of production. The cost of production may be a little less in some places in the United States, but if the multinationals, the transnationals, become the producer, the wholesaler and the retailer, the price of those products is going to be out of reach very quickly and we will have no farmers producing in Canada to alleviate that situation.

The GATT negotiations have become a process of destroying marketing boards. In place of those marketing boards we are going to get a check-off system to be used to promote our own and imported products. That is not what the farmers wanted. That is not what they gathered here on the Hill for yesterday. That is not what they have been talking about for the last several years.

What they want is a structure that allows some comfort of protection of the pricing system that they already have, as we have been told many times today, a pricing system that guarantees the farmer the cost of production and is probably the best kind of production structure in the world because it does not gouge the consumer but does make sure the farmer can go on producing.

As I mentioned earlier, ideologically this government has never been in favour of orderly marketing. John Wise, who was Minister of Agriculture in the previous government, did proclaim to believe in marketing boards, but he did not run again. Many of us would like to know exactly why.

Orderly marketing, as I said, is not ideologically a position this government likes. It believes that the free market should be allowed to take effect, but the free market will not work in the provision of food.

What the government does at every opportunity it has is undercut in every way the orderly marketing system. It is quite willing to stand up now and say how much its members have done to defend the marketing boards. They stand up and shout: "We believe", but what they have done is undercut the foundations of marketing boards to a great extent, and they are continuing to do so under the GATT negotiations that we have been hearing so much about lately. They are quite willing to say: "Yes, we will support them now" because they know they have undercut the foundations to the extent that those agencies are crumbling.

I think the farmers have every right to suspect the motives of this government when it starts meddling with this very important act and does things to the act that have the effect of reducing the effectiveness of the act and spreading it across commodities without requiring those commodities to establish structures that will improve the marketing of the particular product they are attempting to produce.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, as I have been listening to the speakers throughout the afternoon, I am beginning to see another instance develop here where once again this government is tending to weaken institutions that have traditionally had strong national powers to make sure national standards are maintained, which made our marketing boards the envy of the world and which gave our family farms all kinds of reassurance. The member has just said that once again we are seeing another example of this government's dismantling operation. Does the member see in this bill a further possibility that national standards will not be maintained or will be weakened; in other words there will not be enough resources to provide and maintain national standards?

• (1700)

Mr. Hovdebo: Mr. Speaker, what is happening at GATT is undercutting the marketing board structure to the extent that this bill touches the legislation under which those marketing boards were established. It will become ineffective or maybe even unnecessary if the marketing boards collapse in their present form.

This bill is not changing the situation so that marketing boards have any security of continuing. What they are providing in this particular bill is the possibility for other agencies which they may call marketing agencies, but they will not have that security of supply management, that security of orderly marketing which the present bill has put into place. What we will get instead is a proliferation of marketing agencies, which will promote their particular product but will not give the producing farmer any security that he is going to get the kind of price he needs to survive.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I will have to issue you an invitation to visit the fine city of Prince Albert, indeed the whole constituency which includes half the province of Saskatchewan.

Nevertheless, I would like to ask the member a question. I was only elected to this House in 1988. The GATT negotiations, which are so much a part of the discussion of marketing boards, have been going on since 1985, that is the current Uruguay round.

Lately the government has certainly taken the approach that it is backing marketing boards 100 per cent, that it is backing the supply management sectors, and that it is going to bat in Europe with all the muscle and ammunition it has. There are farmers over there, along with the Prime Minister.

It strikes me that it is awfully late in the day to be taking that kind of an approach. In fact, it is almost hypocritical to be taking that approach now. My impression is that the threats to our marketing structures, the Canadian Wheat Board, supply management and the Crow rate in western Canada have all come from the United States, from the American side of this debate. It has been American agribusiness interests like Cargill, Continental and others that have put the heat on this government both through free trade and at the GATT to undermine these kinds of structures.

At the same time at the GATT negotiations it seems to me that rather than condemn what was happening through the American Export Enhancement Program we have lined up with the Americans against the Europeans. We had the Minister of State for Grains and Oilseeds running around western Canada telling farmers to dump their grain on the lots of Mercedes dealers and really making villains out of the Europeans at every meeting I heard him address, including the Saskatchewan Wheat Pool annual meeting.

I was just wondering: Has this always been our approach? Surely we need the European common market to support us, but all I have seen from this government in the past is an attack on the Europeans, falling in with the Americans, with the net consequence that the Americans are getting their way and destroying what is left of the structure of our agriculture.

Mr. Hovdebo: There is no doubt that what we are seeing here is an attempt by members of this particular government to try in some ways to shut the door after the horse has gone. They are trying to convince you and the Canadian farmer that the door has been shut all the time, that this was their policy all the time, when we know it was not.

The tobacco farmers have been trying to establish a marketing board for many years. They finally got a small amendment to this act, but by that time they had expended all their money and all their energies and tobacco was on the downslide anyway. It is was longer valuable. Consequently they did not get the marketing board, which might have saved their industry, at least for some farmers.

It is the same now for apples.

Relative to the position taken by this government on GATT and the need to bring onside the farming community of Europe, it is a very good method that this government has overlooked. The farmers of Europe operate very much as we do in the marketing structure. They recognize that what is good for them would be good for our farmers as well. The American farmers recognize that what is good for us is good for their farmers. The farmers in most of the industrialized world who are producing dairy products and so on recognize our system as being effective. They would be onside. But we have alienated them and they are not on our side, not because they think our system is wrong, but because we have set it up in such a way that they think they would be better off not supporting us.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I am happy to participate in this debate and follow the remarks of several of my colleagues this afternoon. The debate, in terms of the public, would seem to be a pretty inconsequential matter involving amendments to the Farm Products Marketing Agencies Act, which in terms of Bill C-54 before us today allows check-offs of certain produce so that there can be income and revenue to help with research and other things, which seems to be a laudable objective, and also to help advertise certain produce and production.

Other members have said, with actually a better understanding than I of the farm community, we should take that bill with the amendments and get it to the Standing Committee on Agriculture where the motion is at the present time and really just have the farm interests in to analyse and dissect if some of the purported reasons of this amendment to the Farm Products Marketing Agencies Act is going to do what the bill and the sponsors of the bill say it is going to do.

I am not going to spend much time on this. In fact, I am not going to spend any more time on that aspect of the bill. Certainly the thrust of the debate has developed right from the start. Since the subject matter of marketing boards and national marketing agencies has come before the House, that has been the concern of all members, certainly from this side of the House. It is a very well justified concern. We do not have to go any further than the memory and the echo of the 30,000 to 40,000 farmers who took a day off to come here and fill the lawn of Parliament Hill on Friday last in a most fantastic demonstration of solidarity and concern that their very future and the future of the family farm is at risk.

We have all heard those clichés about the family farm. In the agricultural world you get the vertical operation and the corporate structure of the vertical operation, which is certainly much more akin to the United States. If you ever wanted to really feel the concern of family farmers, you only had to stand out there for the two to three hours that many members did with the crowd and obviously some others on the stage. With those numbers in a most restrained and disciplined way, they tried to bring their message forward. I tend to agree. This is a difficult thing, but I can understand the dilemma of the government because there are a lot of political ramifications to this. I am not going to belabour that very much in terms of the Constitution. Here we are talking about the amendments to the act affecting marketing boards today. At the end of the week we are supposed to have a report from the constitutional committee. I would not be surprised if the GATT round does not strike them and clarify article XI which allows Canada to have these marketing boards, and that that omission, along with whatever the recommendations are from the constitutional committee, could very well provoke and perhaps should provoke a parliamentary crisis in this House with a vote that could very well bring on an election a lot sooner than a lot of people think or warrant.

• (1710)

There is not a member from the Quebec side of the government who is going to feel very secure, regardless of constitutional proposals. We can all speak as Canadians on the constitutional proposals. We will wait and see the committee report, but this is the bread and butter of what makes a country tick. It is the farmers and the land. The farther you get away from the land—I have an old fashioned philosophy—the more unreal and perhaps more artificial you get.

There was nothing artificial about those 30,000 to 40,000 farmers with their little children who came and physically demonstrated their concern for the future.

This is one reason I am glad to have a chance to speak today. I am glad the government House leader has had that ingenuity to in effect get this bill before the House so members have a chance to put more pressure and have a chance to speak on this fundamental issue of marketing boards, which as other speakers have said, has not really had that much attention during the five years of the Uruguay round.

As far as I am concerned, the old signals went up. While there were rockets fired over the Peace Tower on January 1 to welcome in the New Year, the real rocket in terms of marketing boards was the Dunkel report in December when Mr. Dunkel tried to bring forward a consensus after five years of negotiation and in effect said to all 108 countries: "Listen, countries of the world, these are my proposals for solving all the problems of trade around the world". There was not anything in the Dunkel report about article XI.

Long before that report it should have been clear to our negotiators in Geneva, to Mr. Dunkel and other countries of the world. We will give and take on many subjects and we will give and take in many areas of trade. There is one part of our fragile economy going through the recession and economic problems that a lot of other countries are going through around the world. There is one part that has been under stress and strain, agriculture. But there is one part of agriculture that is not under stress and strain. The previous history was outlined in the very tremendous speech of the hon. member for Lambton—Middlesex earlier when he reviewed the legislative history, when there was instability with certain areas of production of eggs, milk and chickens. I was here in the House when that bill came before us, as I said in a question earlier. I am not going to get into the debate from where I sit because it is not quite accurate to say that the opposition of the day, and I was in that opposition, was against the concept of marketing boards. Quite frankly it is not fair to say that.

There was a member in the opposition who turned and became a member of the Liberal government, the then member from Crowfoot. He fought night and day in several sessions of the agriculture committee. He would not even drink coffee because he thought the government of the day, the Liberals, were going to pollute his coffee so that he might go to sleep and could not carry on the fight for a national farm marketing council which was set up. The fight was not just over the general principles of the bill. It was over whether there was going to be producer representation. There were many other aspects of a very complex question. That was part of the tangled fight between opposition and the government of that day. We finally got the national bill. The history about tobacco that was said here earlier is also correct.

We got the bill. Mr. Speaker, long before you came down the political road and perhaps many years before you were out of school, because you have that gentility of youth. There was stability in certain areas of production, dairy, chickens and eggs, to name three that have marked and helped the Canadian farmer. It has really been the backbone of an area of our economy that has been under stress and strain. That is why it is absolutely incredulous to me. I say I am glad, in a backhanded way, that the government House leader has brought this before us so we can talk about it, but in the general principle of common sense. You have the old axiom: "If it ain't broke don't fix it" or "Don't fix it if it ain't broke". You can tangle that up as this is tangled up. Supply management has obviously been good for stability for the farmer and it has also been good for the consumer. We can talk all we want about sovereignty. We can talk all we want about special status and distinct society. My God, are we going to be such a distinct society in this nation from coast to coast that we will not have our own farmers producing our own farm production and we are going to get it from the vertical operation south of the border?

I was told this three or four years ago, long before the free trade debate heated up and became an election issue in 1988. Quite frankly, I lost a very good supporter over the free trade debate in 1988 who was a turkey producer.

The member for Lambton—Middlesex would know this but I did not know it three years ago, after the Uruguay round had started. Then, of course, we had the free trade matter before the House. I did not know that there was one vertical turkey producer in the state of Pennsylvania that produces more turkeys than the total Canadian production. I know the same thing is repeated in at least four different instances with chickens. Not family farms, not having your son or daughter trying to take up where the old man was and keep the old furrow going, as you harrow and plough and build again for the future. Do not take your income and hope it is going to pass on because the acreage is going to appreciate and that is how you are, perhaps, going to get a pension.

No, these are not family farms. These are vertical, corporate agribusiness operations. Is that what we are going to get if GATT does not go the way we want? I tend to agree. It gets to be criticized by a lot of my former colleagues. I would have loved to see the Minister for International Trade in Europe two years ago when we needed a delegation.

When Dunkel dumped his report in December—there is a lot of alliteration so you have a lot of *d*'s there—we got dunked. I am afraid the Canadian farmer is going to be dunked. The Minister for International Trade is a fine decent man, but he is not in support of marketing boards. He is a free trader. We know he is a free trader because we know about the free trade situation, and I will not fight that battle.

Quite frankly I come from the deep east in Nova Scotia. We believe in the sea, the winds and the currents. You cannot sail against the wind unless you know what you are doing and it is hard to sail against a current.

An hon. member: The minister does not know what he is doing.

Mr. Nowlan: A lot of the things that have been said here should have been said a couple of years ago, when we carved out our balanced position, by the Minister of Finance and the then Minister of Agriculture. At that time I was on the other side of the fence with the government and perhaps I should have tried to speak out a little more. My common sense said there was something wrong. We had our caucus. This was discussed in our caucus, but I will not get into that.

There is a fundamental flaw with us now trying to shut the door when everyone has been led out to the pasture. For wheat and beef we are for free trade and yet when it comes to milk, turkeys, chickens and eggs, we are for protected trade. I say that is why our negotiators now and/or this last minute entourage of ministers and farm leaders would have, quite understandably, a heck of a time to say: "Hey, we do not mind the barn door being opened for the world to come in and for us to sell out in wheat and beef. But, hey, keep the door barred in terms of chicken and other production, dairy and eggs". That is a fundamental problem we face.

I am disturbed by that. I was disturbed when we pronounced this balanced approach. Frankly it was a case of the left hand not agreeing with the right hand because it was trying to go in two different directions. They were trying to sail with different winds, one from the north and one from the south. You cannot do it. The birds have come home to roost. The unfortunate thing is that the only people who are going to get gored, in general, are the Canadian public and certainly our farmers unless this is stabilized.

• (1720)

I say it is up to every member, and especially every government member, who has a farm community that has supply management to take a stand and to let that government know that regardless of all the other problems we have, we are not going to throw away the supply management and the security of that for the nebulous status of a weaker, in effect almost non-existent, article XI.

If the United States can play it both ways, why can we not play it both ways? I asked a question in the House today. Much to my horror, I found out some time last week—and I guess it has been there for some time; I am looking at a letter dated November 25, 1991, which I got by fax today, confirming what I had been told last week—that 62 American senators—and this is in their system, I appreciate that—have written President Bush and in the letter say: "Hey, Mr. President, negotiations are going along in Geneva". In part of it they say: "The Europeans are under current GATT negotiations with the unreasonable demands made by the European Community negotiators. We feel that the willingness of the U.S. negotiators to unilaterally concede article XXII", the section that gives them protection, that is, vertical protection for their vertical operations, admittedly, but protection for their production of milk, cotton, sugar and peanuts. They have had other programs before. They have had eight other commodities protected under article XXII.

In effect, this letter says that the price is too high, that the Europeans are asking too high a price, and they have asked the President not to compromise on article XXII. If that is the position at the moment of 62 senators—and I appreciate it has not quite come to votes yet and the President has not yet signed the GATT deal, if there is a GATT deal—surely to goodness and mercy, if the American Senate, powerful as it is—and we all admit it is pretty powerful—can bring the concerns of their constituencies to their President, why can we not do the same here?

The irony of it is that it is the United States that is trying to break down the supply management in this country. When you get that double-dealing situation of their asking for protection to extend—and to be fair and honest, they have had this waiver under GATT; they have had it and they want to maintain it—goodness gracious, it is too mild to say it is not fair that for the American pressure that is attacking our supply management situation here in Canada, i.e., marketing boards, for them to come one way and attack us and then to have the nerve to make sure their President protects their interests to keep their commodities protected under article XXII, something just does not ring right on that.

I certainly hope that at some stage our minister of trade is going to take a public position, or else privately first with President Bush or the Americans, and say: "Look, you cannot have it both ways. If you want to get rid of our supply management, then how are you going to justify protection under article XXII for your commodities?" If they get protection under article XXII, then we need the same protection of the clarification and strengthening of article XI of GATT.

There is another element in this whole thing, and my time is coming down pretty quickly, I think. I am not going to get into the debate on that *Globe and Mail* editorial today. Frankly the *Globe and Mail* editorials are travesty compared to what the *Globe and Mail* editorials used to be when it was a national paper expressing national news.

All they have to do is read the report of the hon. member for Lambton—Middlesex, which has been referred to by the hon. member for Broadview—Greenwood, regarding not only stability for the farmers but decent food, good food for our consumers for everyone's benefit. The price of food and percentage spent by the Canadians for food is down now. He has all the figures there.

The whole thing is ridiculous if an industry of $10 billion is going down the drain, and that is the concern. Even the government admits the concern that GATT is not clarified.

We can debate whether they have been strong enough or whether it should have started earlier. But we have heard the Prime Minister and other ministers admit that this will be a dire straits situation if we do not get it strengthened and clarified.

Yet as said in a *Globe and Mail* editorial, you get an industry that has been stable and has been contributing to the Canadian economy and/or taxes. There is another element to this whole business of marketing boards and stability of that section of agriculture, that you have money there to help pay for some of these social programs that have made Canadians so particular and so distinctive and are a source of pride for all Canadians. You have to have a viable industry all across the board, especially here. We know so many are going down the drain.

I throw out again—and I hope someone asks me the question—that I do not understand when you are beguiled with the answer, "Oh, well, this is what the negotiators or some of the experts are saying. Do not worry about the import quotas to protect your marketing boards. You are going to have tariffication and pay high tariffs. That will keep out products so we will still be able to maintain the family farm".

In conclusion—I hope someone asks me the question—how do you rationalize and reconcile the tariffication under GATT where there are supposed to be big high tariffs to help protect this marketing board situation? It loses the protection of quotas because article XI has not been clarified. How do you rationalize that with the free trade agreement, which is reducing tariffs and completely eliminating them? Quite frankly, I think there has been a lot of duplicity here on this argument of tariffication.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I want to congratulate the hon. member, who has given a good dissertation on this very complex subject. I know from the discussions we have had in caucus that he is supported in general by my colleagues.

I do not have many farmers in my riding. I do have a few in one area, and I know they have been watching this issue very closely. Along with my other colleagues from Newfoundland, I have met with about 20 dairy, poultry and egg-producing farmers from Newfoundland who are really scared that this will have a very negative effect on them. It may be surprising, but we are looking at somewhere in the vicinity of over 3,000 people in this area who are directly affected.

I was interested in the hon. member's comments at the end on the rationalization between the tariffication, which seems to be an alternative—and not a very good alternative, as I understand it, and as has been put to me by the people who are worried by this move—and the free trade as it was negotiated, which seemed to have some difficulty with this area. I would ask the hon. member if he would like to enlighten us on how he perceives this so-called conflict and precisely how it relates to what the government says it is doing.

Mr. Nowlan: Mr. Speaker, I thank the hon. member, who is a very distinguished member of this House. He has had much more expertise in the navy and in the maritime world, with his contributions to the naval service of the country.

I am bothered. I do not have the answer. I have been told by some experts that because it is a GATT deal which is international it will supersede the bilateral deal of free trade between Canada and the United States. On the other hand, the primary flow of goods, certainly agricultural goods, is between Canada and the United States, and if you get tariffication and high tariffs under the GATT deal, if it comes to that, as I think of the bilateral agreement on free trade, which is to reduce tariffs, I think you will have to have some type of negotiation with the Americans on this, to try to negotiate with the Americans to try to maintain the high GATT tariffs, because the free trade says to reduce tariffs.

It is American pressure that got us into this quandary of supply management perhaps going out the window without article XI being clarified so that they can pump a lot of their surplus production, which we do not have under marketing boards. I do not think they will be very willing negotiators to try to protect the tariffs, even if we could get them, and that is not the way we want to go.

• (1730)

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to ask the member for Annapolis Valley—Hants to elaborate a bit more for me on his insight regarding a potential parliamentary crisis.

Was he suggesting that the disciplined, orderly message we received from the farmers of Canada last week on the front lawn of Parliament Hill might have some influence on some of the rural members of the government side? Or, was he suggesting that if the GATT discussions do not come down in our favour it might suddenly twig the conscience of 10 members over there? I guess they only need to lose 10 members and we would have an election. Could he just elaborate a bit on that?

Mr. Nowlan: Mr. Speaker, we are getting a little off the amendments to the Farm Products Marketing Agencies Act, but I did mention that in my speech and the hon. member has been here all day paying close attention.

I come from the philosophy that directs me in this whole world of politics. The only consistency in politics is inconsistency and uncertainty. If we have that as a creed, we are not going to be totally surprised at anything that might happen.

All I am saying in a futuristic, prophetic and/or potentially pathetic way perhaps for some is according to my insight and instinct. While it is complex it is not too sexy. It is not as dramatic as a car plant closure or even as graphic as the cod industry and the things that are happening to fishermen on the Atlantic coast. It is basic to the land and to so many people including their relatives that depending on what happens members are going to have to take a real stand if we do not get a clarification or strengthening at the GATT.

They have to let their leaders know that, and then we put that on to the constitutional package which is coming down at the end of the week with all the uncertainties there. Yes, I think Parliament is a lot more fragile than a lot of people think.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have a short question for the hon. member who was former chairman of the transport committee of this House. He has respect from every side of the House, and I have admired him for a long time.

I am just wondering about this legislation which permits levies to be collected from Canadian producers to promote products produced here in Canada. I am relating here to the fact that in 1989 we had one million pounds a week of no rolled beef coming into Canada from the United States. No rolled beef is ungraded beef.

Last year it was not one million pounds a week; it was three million pounds a week. How can we differentiate between Canadian beef and American beef coming in here to ensure those levies that protect the Canadian producers are not applied to the no rolled beef coming in, increasing consumption of imported beef rather than our own Canadian beef?

Mr. Nowlan: Mr. Speaker, I am glad the question was short. My answer is going to be shorter.

I think that is one of the very good reasons we have to get this into committee, to have some of the experts answer that question.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, it is a pleasure for me to have the opportunity to stand this afternoon to debate Bill C–54, government initiated legislation to amend the Farm Products Marketing Agencies Act.

This act may appear to be perhaps inconsequential as it is brought forward to this House for its first substantive debate on Monday, February 24. As one analyses this act, it can do nothing but raise concern, especially in view of the fact that on Friday as mentioned by my other colleagues we had 40,000 farmers and friends demonstrating on the Hill, farmers who represented the supply managed sector of our Canadian agricultural industry. This legislation is in fact linked to just those groups of producers in this country: the Canadian Egg Marketing Agency, the Canadian Turkey Marketing Agency, the Canadian Chicken Marketing Agency, the Chicken Broiler Hatching Egg Marketing Agency, along with milk producers from my riding of Northumberland. These are the very groups most concerned at this very time in Canada about the security of their future.

I was very pleased that eight busloads of people from my riding of Northumberland came here to demonstrate on the Hill in Ottawa. I was extremely proud of their representation among the 40,000 producers and friends on the Hill on Friday. I want to encourage them to continue to express their concerns to this government on all issues. In this case, their concern was to convince this government that it must protect article XI under the GATT which is being negotiated at this time.

I will do everything I can to protect not only the supply managed farmers in my riding but the many hundreds of other farmers in my riding whose jobs on the land affect thousands and thousands of jobs in my riding of Northumberland.

Farm production, agricultural production is a national security issue for me. Although I know that in Northumberland we have the most efficient and hard-working farmers to be found anywhere in Canada I am not convinced, I have not studied the facts, that my farmers in Northumberland, as hard as I can protect them, are able to produce for this whole country of 26 million people.

Any piece of legislation that comes before the House that speaks to anything which can have an impact on farmers in my riding or anywhere in this country is going to receive careful scrutiny from me. I will be in constant contact with my farmers as well to ensure that their concerns about any legislation which may impact on their well-being will be heard by the House of Commons and any committee that will be reviewing legislation coming forward.

This legislation appears simple. It will provide enabling legislation for the creation of national promotion and research agencies. It will be up to each commodity producer group to decide for itself whether it wishes to implement an agency that will promote and research its particular product. Although there are groups in support of this legislation there are other groups that do not support this legislation. There is some sense that this could be yet just one more regressive tax on farm production in this country. Certainly we know that our farmers are beleaguered in this country right now and do not need, as does no Canadian, any further taxation at this time.

What we need is a cut in taxes to try to spur our economy and brighten the future for all Canadians, not just our farmers.

I am concerned that this legislation does not guarantee that the government would continue to fund its own programs for research and promotion of our agricultural products in this country. I do not feel secure in simply hearing the words from this government that this legislation would not someday be a substitute for the funding the government now puts into research and the promotion of agricultural products in this country.

There is a very important role the government must play on behalf of agricultural production in this country to secure the health of our agricultural production in this country. The legislation is proposing a check-off system, or a levy, to be set by producer-agencies if so desired by each producer group. Presumably that levy would be applied equally to every member of that producing group.

We know that there are many farmers who have unequal incomes within producer groups.

• (1740)

We have some dairy farmers who are quite prosperous at the moment, thanks to GATT's article XI, but we have other dairy producers who are trying to come into the business, are having to make large investments and are not so wealthy at this particular time. Yet, it would appear that this legislation would be applying levies equally across the board to every producer within a producer group.

Could we not work out some sort of guaranteed formula so that we could have a reasonable application of levies to individual members within producer groups. If this legislation were to affect only a regional producing group and every member within that producing group had to pay this levy, would that input, the investment of that region in promotion and research, benefit other regions? Why should that happen?

Can we be assured that, as one of this legislation's detractors says, the check-off system is not an elaborate way of funding farm organizations and directing money to groups controlled by agribusiness and not farmers? The person who has this concern asks if this is a possibility. I would want to be absolutely convinced that it was not a possibility before we put this legislation into place.

Farmers and producers would be paying the levy. We want to give the opportunity to farmers and producers to be involved in the research and promotion of their products but we worry about just adding on another tax without the guarantee that the government will continue and increase its own proportion of funding for production and research.

We also worry that this is a type of user pay system for the farmers only. Yet research and promotion does not only benefit the farmers; there is a great benefit to consumers. If the government does not increase its support for research and promotion then the farmers alone are paying for something that should benefit all Canadians. That is why we must support and put a greater emphasis on the federal government's role in providing the funding required for adequate promotion and research in agriculture in this country.

There is no doubting the fact that we are living in a global community where whatever we produce is in a trading environment and we are trying to liberalize and free trade around the world. However, as I said at the beginning, I consider agricultural production to be a national security issue. This country must never lose its ability to be self-sufficient in agricultural production. If we lose our ability to feed ourselves, how will we feed ourselves? Who will feed us and at what cost?

I have seen other small, vulnerable countries that have lost their ability to feed themselves. I have seen net exporters of basic food commodities become importers in order to survive, and I have seen the cost that they paid. At first, it looked as if prices of commodities in distant lands, across the border looked cheaper, just as Canadians, many of whom are involved in cross-border shopping, look south and say: "Canada's food is expensive. Look how cheap it is in the United States". For these small, vulnerable countries the same situation seems to exist. They were encouraged to get out of their production of basic crops for survival and get into cash crops for export.

They found that those cheap prices which seemed so enticing just outside and beyond their borders suddenly became very high and exorbitant. Those poor people were more hungry than they had ever dreamed of being before and those who had so little became dispossessed of the very, very little they might have had. I never want to see that kind of situation occur here in Canada.

I have a very deep concern about any legislation that will affect farm production in this country in any way. I will want iron-clad guarantees from the committee that reviews and examine this piece of legislation that it enhances protection for farmers in our country and in no way detracts from their ability to survive and feed us, to feed all of us who should be so grateful for what our farmers do for us but who in fact have so little appreciation for the value of their work. We all must become more aware of the agricultural economy in this country and do everything we can to help protect it. It is a national security issue.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I congratulate the member for Northumberland for those excellent remarks and the clear message that she always leaves with us.

I know the riding the hon. member represents very well because in the 1950s I supplemented my income and put myself through university by working on tobacco farms in her riding. She will know the regions of Osaca and Elizabethville of which I speak. It was very sad when the tobacco industry was on its way out. Many would cheer that because the product did create health problems. However, I was actually very excited at how entrepreneurial these former tobacco farmers were. They tried growing corn, peanuts, and soya beans instead of tobacco. However, by the time that product reached harvest the price dropped and they were working for nothing.

I would like to ask the member what has happened to those tobacco farms not producing tobacco anymore. Are they producing food with which we can feed Canadians and the starving people in developing countries? If not, does she recommend anything the government can do to help transfer from one crop to another?

Mrs. Stewart: Mr. Speaker, I am happy to respond. In fact, the shift that has occurred in production in my riding for those farmers who were involved in the production of tobacco has been quite devastating to many of them.

It was very interesting that there was an agricultural assessment of the quality of lands in my riding some years ago. Tobacco had been such a high-priced crop for farmers and as a result the land upon which it was grown was considered to be *a* quality, number one quality land. However, when the market changed and it became no longer possible for farmers to continue their tobacco production they found that a lot of the soil that had been producing tobacco was not suitable for many other crops. Therefore, research to find other ways to use those lands to produce food for Canadian consumption and export was very important. It is still an ongoing process.

However, many of those acres of land which had been cultivated for tobacco are not being cultivated today because the land is too sandy and just not suitable for many other crops.

Some have looked at corn, some have looked at tomatoes, and a few are looking at peanut production on those lands. There is a need for research. It is the responsibility of our federal government to assist in the research process and not leave all of the responsibility to the farmers themselves, who are the most vulnerable and in many cases the least able to pay for research.

My concern with this legislation is that it is important to recognize the need to continue research to find diversification of agricultural production without putting the total burden on farmers, who without adequate research are simply going out of business with the result that their lands are not being used.

• (1750)

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have a preamble and a question. I was very interested in what my colleague was saying about the difficulties farmers are facing both in the international market as well as in their own industry here in Canada.

We live in one of the richest countries in the world in terms of agricultural land; yet our farmers are faced with bankruptcy on a daily basis. They have to struggle. I wonder what is the situation of farmers in Third World countries are in, where they have absolutely no government support, no government research centre. I know the answer to that.

I want to ask my colleague if she is aware of any studies that have been done in order to determine what it is we have to do as a society to protect our farmers. I agree with her statement that when the farming industry goes down, the whole society collapses. Historically, farming has been the backbone of any country, of any society anywhere in the world, when we talk about societies with an agricultural component.

I want to congratulate her and commend her. Those 30,000 farmers who came to the rally on the Hill visited my riding of Ottawa Centre. I was delighted, along with my constituents, to receive them where they spent a magnificent day and made their message very clear. I want to ask my colleague if she is aware of any study that has been done to determine the issues we have to deal with in order to provide our farmers with a permanent safety net.

Mrs. Stewart: Mr. Speaker, I personally am not aware of particular studies. It has always been my experience that when you are faced with a problem, you had better go and speak to those people who are most directly affected by the problem.

I would say that the number one experts in Northumberland, in Ontario or across this country on the issue you are asking information about are the farmers themselves. Some of the farmers are very highly educated, but are vulnerable to the economic stress in farming the land today. We have many well qualified agricultural academics who, along with the farmers, work on very complex issues and help them by suggesting the best remedies. They do carry out many small research projects and can give advice and direction.

For me personally the farmer himself is the number one expert on what requirements should be in place to assist them and protect their survival.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would like to ask my hon. colleague if, in the course of her observations with respect to the farming community, she has noted the incredible stress on the wives, the families and the impact it has on the state of marriage and divorce as the farm home and the farmland add to the complications of a very difficult life in the first place.

Mrs. Stewart: Mr. Speaker, I thank my colleague for the very excellent question. As farms are weakening and being destroyed and going out of production, it is not just land, crops, equipment and bank accounts that we are talking about. We are talking about farm families. The social destruction that is occurring in farm families across this country is enormous. It is very heart-wrenching to hear the individual stories.

Farmers are very proud people individually. It has been my experience that they do not always care to share with each other their personal economic problems. There has been in fact a dramatic increase in the numbers of suicides, family breakdowns, violence even in our wonderful agricultural communities. This situation must be addressed. In fact, farms cannot survive without off-farm income. There is not a farmer that I know of who is not involved in survival through off-farm income. Not just the farmer, but his wife and kids are all involved in the process. They are all working hard. They are the most hard-working people I have ever encountered. When they are working so hard and they cannot make ends meet, the stress within families and the amount of family breakdown is something we cannot tolerate.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I welcome the opportunity this afternoon to speak to Bill C-54, an act to amend the Farm Products Marketing Agencies Act.

Mr. Speaker, as you know, there is a serious threat to agriculture in Canada today, and especially to agriculture as regulated by this legislation. I am of course referring to GATT and to the possible loss of GATT article XI(2)(c), which would allow foreign produce to enter Canada. Canadians want to maintain article XI, and they need the kind of protection we now have in this country.

Mr. Speaker, a few days ago, I heard some people say that Canadian farmers should be more productive, and one of these people was Professor Gilles Paquet of the University of Ottawa. Professor Paquet is probably good at figures. However, he tends to forget that although dairy producers in Canada, including those along the U.S border, have slightly higher production costs than their U.S. counterparts, they would have no trouble competing with these people provided subsidy levels were more or less the same on both sides of the border. However, that is not the case.

In the United States, some of the subsidies offered farmers are absolutely incredible, while in Canada, our farm producers receive very little in the way of subsidies. For instance, dairy producers get only $6.03 per hectolitre, which represents about 8.5 per cent or 8.9 per cent of their total income. I imagine the hon. member for Sarnia—Lambton knows that even better than I do. In the United States, however, farmers receive far more substantial amounts.

Nevertheless, some people insist that Canadian farmers should emulate American farmers. It is not easy, because the Canadian farmer is not competing with the American farmer. He is competing with the Treasury of the U.S. Government. It is not easy; it is well nigh impossible. I do not know a single trade or industry that could compete with the Government of the United States. If major industries cannot do it, how can we expect the individual farmer to compete with the U.S. government?

This leads us to the subject of the bill before the House today, whose purpose is to amend the Farm Products Marketing Agencies Act.

[*English*]

I must say that at the present time we are at the eleventh hour of the final day of the GATT negotiations, literally speaking, and we are very worried. I think this bill is a good measure, although it certainly does not address the most fundamental issue for many farmers in Canada today.

Nevertheless, I know that people such as the Canadian Cattlemen's Association, the pork producers and so on, would like to have the check-off systems that would be permitted at the national level so they could put funds together to launch a national advertising campaign, for instance asking Canadians to eat more beef, pork or whatever product a producer group wants to get together and make such a pitch. The other thing that it would do, of course, is permit them to do research collectively. At the same time, that would free up funds elsewhere. Who knows, maybe farmers could collectively buy some of those funds that are freed up and help at some point in the future to launch, if ever necessary, measures against unfair practices of producers in other countries, if that was ever deemed to be the appropriate thing to do.

Just in case anyone is very concerned here, we are not reinventing the wheel in Canada. In fact, U.S. producers do most of those things already. As a matter of fact, I am told that they even use some money from check-offs to engage in countervailing activities and that kind of thing. Certainly the Americans are not shy about using this kind of measure.

I think the hour of adjournment has just about arrived. With that, I will end my remarks and continue at the next opportunity.

* * *

[*Translation*]

PUBLIC SERVICE REFORM ACT

MEASURE TO ENACT

The House resumed from Friday, February 21, consideration of the motion of Mr. Loiselle that Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other Acts in relation to the Public Service of Canada, be read the second time and referred to Legislative Committee H; and the amendment of Mr. Gauthier (p. 6964).

The Acting Speaker (Mr. DeBlois): It being 6 p.m, pursuant to the order adopted Wednesday, February 19, 1992, the House will now proceed to the deferred recorded division on the amendment of Mr. Gauthier and the main motion for second reading of Bill C-26.

The first division is on the amendment.

Call in the members.

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

(*Division No. 107*)

YEAS

Members

Angus	Assad
Baker	Bélair
Black	Blaikie
Brewin	Butland
Caccia	Catterall
Clancy	Comuzzi
de Jong	Dingwall
Ferguson	Finestone
Flis	Fontana
Fulton	Funk
Gaffney	Gagliano

Gray (Windsor West)
Harvard
Hovdebo
Keyes
Langan (Mission—Coquitlam)
Lee
Maheu
McCurdy
McLaughlin
Milliken
Mitchell
Nault
Nunziata
Pagtakhan
Peterson
Proud
Robinson
Samson
Skelly (North Island—Powell River)
Speller
Taylor
Tremblay (Rosemont)
Venne
Whittaker
Young (Beaches —Woodbine)—71

Harb
Harvey (Edmonton East)
Hunter
Kilgour (Edmonton Southeast)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Martin (Lasalle—Émard)
McGuire
Mifflin
Mills
Murphy
Nowlan
Nystrom
Parker
Phinney
Prud'homme
Rompkey
Simmons
Skelly (Comox—Alberni)
Stewart
Tobin
Vanclief
Waddell
Young (Acadie—Bathurst)

NAYS

Members

Anderson
Atkinson
Bertrand
Bjornson
Blais
Bouchard (Roberval)
Boyer
Campbell (Vancouver Centre)
Chadwick
Chartrand
Clark (Brandon—Souris)
Cooper
Crosbie (St. John's West)
Darling
Desjardins
Domm
Duplessis
Epp
Feltham
Fontaine
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Halliday
Hawkes
Hogue
Horning
Hughes
Jelinek
Joncas
Kempling
Landry
Larrivée
Lewis
Loiselle
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mazankowski
McDermid
McLean
Moore
Oberle
Plourde
Reid
Ricard
Robitaille
Saint-Julien
Scott (Hamilton—Wentworth)
Siddon

Andre
Beatty
Bird
Blackburn (Jonquière)
Blenkarn
Bourgault
Brightwell
Cardiff
Champagne (Champlain)
Clark (Yellowhead)
Collins
Côté
Danis
Della Noce
Dick
Dorin
Edwards
Fee
Ferland
Friesen
Greene
Guilbault
Harvey (Chicoutimi)
Hockin
Horner
Hudon
James
Johnson
Jourdenais
Koury
Langlois
Layton
Littlechild
Lopez
MacKay
Marin
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Nicholson
O'Kurley
Redway
Reimer
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Soetens

Sparrow
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
White
Wilson (Etobicoke Centre)
Worthy—119

Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
Wilbee
Winegard

PAIRED MEMBERS

Blondin
Gibeau
Kaplan
Wilson(Swift Current—Maple Creek—Assiniboia)
Wood

CharesT
Hopkins
Stevenson

The Acting Speaker (Mr. DeBlois): I declare the amendment lost.

The next vote is on the main motion.

[*English*]

Mr. Angus: Mr. Speaker, I wonder if the House might be disposed to apply the previous vote to the vote we are about to take, in reverse.

Mr. Hawkes: That is certainly all right with us, Mr. Speaker. I think the member for St. Catharines would like to make a brief intervention.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like my vote to be recorded with those of my party. I apologize for not having been here to vote on the amendment, but this is quite an important day for me since two of my assistants who have been with me for 16 years are retiring, and I wanted to mention that.

[*English*]

Mr. Sobeski: Thank you, for recognizing me, Mr. Speaker. The reason I abstained from voting on this particular motion is that I am honoured to be named the chairman of the legislative committee that will review Bill C-26.

[*Translation*]

Mr. Bellemare: Mr. Speaker, since I was with the hon. member for Ottawa—Vanier, we arrived a few seconds late. For this division I would like my vote to be recorded with the Liberal Party, my party, against the government.

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

(Division No. 108)

YEAS

Members

Anderson	Andre
Atkinson	Beatty
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Campbell (Vancouver Centre)	Cardiff
Chadwick	Champagne (Champlain)
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Collins
Cooper	Côté
Crosbie (St. John's West)	Danis
Darling	Della Noce
Desjardins	Dick
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Hogue	Horner
Horning	Hudon
Hughes	James
Jelinek	Johnson
Joncas	Jourdenais
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDougall (Timiskaming)	MacKay
Malone	Marin
Martin (Lincoln)	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McLean	Merrithew
Moore	Nicholson
Oberle	O'Kurley
Plourde	Redway
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
Saint-Julien	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Siddon	Soetens
Sparrow	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Etobicoke Centre)	Winegard
Worthy—119	

NAYS

Members

Angus	Assad
Baker	Bélair
Bellemare	Black
Blaikie	Brewin
Butland	Caccia
Catterall	Clancy
Comuzzi	de Jong
Dingwall	Ferguson
Finestone	Flis
Fontana	Fulton
Funk	Gaffney
Gagliano	Gauthier
Gray (Windsor West)	Harb
Harvard	Harvey (Edmonton East)
Hovdebo	Hunter
Keyes	Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
Maheu	Martin (Lasalle—Émard)
McCurdy	McGuire
McLaughlin	Mifflin
Milliken	Mills
Mitchell	Murphy
Nault	Nowlan
Nunziata	Nystrom
Pagtakhan	Parker
Peterson	Phinney
Proud	Prud'homme
Robinson	Rompkey
Samson	Simmons
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Speller	Stewart
Taylor	Tobin
Tremblay (Rosemont)	Vanclief
Venne	Waddell
Whittaker	Young (Acadie—Bathurst)
Young (Beaches—Woodbine)—73	

PAIRED MEMBERS

Blondin	Charest
Gibeau	Hopkins
Kaplan	Stevenson
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wood	

The Acting Speaker (Mr. DeBlois): I declare the motion carried. Therefore this bill is referred to Legislative Committee H.

Bill read the second time and referred to Legislative Committee H.

[*English*]

The Acting Speaker (Mr. DeBlois): It being 6.28 p.m. the House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Tuesday, February 25, 1992

The House met at 10 a.m.

Prayers

[*Translation*]

ROUTINE PROCEEDINGS

PETITIONS

COUP D'ÉTAT IN HAITI

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, I have the honour to table in the House today a petition from 1,055 people in my riding and surrounding areas who denounce the *coup d'état* in Haiti, the military actions led by General Raoul Cédras and the destruction and pillage of institutions working for the development of that country ravaged by poverty, lack of free expression and carnage that has already claimed thousands of victims.

For these reasons, the petitioners ask Parliament and the government to demand that democracy be restored and human rights respected, not to recognize the present regime and to make the embargo ordered by the Organization of American States effective. They want Canada to put as much energy into freeing Haiti from the oppression of the military officers illegally in power as we put into freeing Kuwait from occupation.

[*English*]

VIOLENT CRIME

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour, duty and privilege, pursuant to Standing Order 36, to present a petition, certified correct by the clerk of petitions. It contains the signatures of Canadians living in the communities of St. Catharines, Hamilton, Stoney Creek, Grimsby, Guelph, Burlington and Etobicoke.

These petitioners join the tens of thousands of petitioners, in fact we have received over 100,000 signatures, requesting that Parliament recognize that crimes of violence against the person are serious and abhorrent to society. They ask that we amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

• (1010)

BREAST IMPLANTS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it is my pleasure and with some sadness that I table a petition signed by women from all across the country requesting that the Ministry of National Health and Welfare have an independent judicial inquiry into the testing and approval process for all medical devices. In particular, this petition is around the case of Meme breast implants and silicone breast implants.

The petitioners ask that the minister take the time to seek scientific evidence about the safety of these implants, as well as appoint an independent judicial inquiry to ensure that the manner in which medical devices are approved in this country is appropriate.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I have the honour this morning to table a petition signed by a group of people in the riding of Manicouagan, particularly individuals from Blanc-Sablon, Lourdes-de-Blanc-Sablon, Middle Bay, Bradore, Old Fort and Rivière-Saint-Paul. In this petition, the signers ask Parliament to eliminate the goods and services tax on women's sanitary products.

The petition has been certified correct as to form and content.

[*English*]

PENSIONS

Mr. Joe McGuire (Egmont): Mr. Speaker, it is my privilege to present two petitions from people right across Prince Edward Island, including employees of the federal government, whether active now or retired, who are very concerned about the government's intention to de index pensions.

These people come from Traveller's Rest, Wellington, Summerside, Miscouche and all across the province of Prince Edward Island. They are very fearful that if the government brings in legislation to de index pensions, their lifetime work will be unprotected and they will be very open to the vagaries of the future.

GOODS AND SERVICES TAX

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, it is also my pleasure to present a petition to this House.

The petition is signed by a number of residents in my constituency, especially from around the Dunnville area, who are really upset with this government when it put a tax on water, namely the GST.

The petitioners call on this government to remove that tax and to make water zero rated status under the GST.

You will know, Mr. Speaker, this is just one of hundreds of petitions that I presented on this issue.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am honoured to have the opportunity to present to this House petitions that I have received from constituents of Broadview—Greenwood.

These petitions continue to call upon the government to develop a fairer, more simplified tax system, and they want the GST abolished.

THE ENVIRONMENT

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, the petitioners continue to remind the government that the commitment it made in September 1988 to begin reclaiming the Great Lakes, specifically reclaiming the Don River, has not begun. They would like the government to please honour that commitment.

VIOLENT CRIME

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise to present a petition signed by numerous residents of Kingston and area. Some of the signatures are from Napanee and Harrowsmith in the riding of Hastings—Frontenac—Lennox and Addington.

The petitioners call upon Parliament to recognize that crimes of violence against the person are serious and abhorrent to society and ask that the Criminal Code of Canada, the Bail Reform Act, 1972 and the Parole Act, be amended to reflect the seriousness of those kinds of offences.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall the questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

FARM PRODUCTS MARKETING AGENCIES ACT

MEASURE TO AMEND

The House resumed from Monday, February 24, consideration of the motion of Mr. McKnight that Bill C-54, an act to amend the Farm Products Marketing Agencies Act and other acts in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it is with some chagrin that I rise to discuss the Farm Products Marketing Agencies Act at a time when the farmers in this country are mightily concerned that marketing boards are going to go the way of the dodo bird because of this country's failure to represent Canada's interest at the GATT.

The government has failed so far to persuade the other 107 members of GATT to strengthen and clarify the supply management provisions contained in article XI of the GATT. Our concern is that the government, through its attachment to the American way of doing business, is falling into line with the American philosophy at the GATT and leaving Canadian farmers high and dry.

Particularly after the massive demonstration last Friday of farmers from all over Canada—some estimate that over 40,000 farmers came to Ottawa—it is well known that farmers are very concerned about the outcome of this round of negotiations at GATT. Somebody asked me how can these farmers, who are so hard pressed, and we are talking about being concerned about farmers going under, afford to come to Ottawa to demonstrate on Parliament Hill.

The week before last, I met with the farmers in my riding in anticipation of the demonstration on the Hill. I met with dairy farmers in Pitt Meadows. They were so worried and so anxious about getting the message to this government that they were willing to pay what it took to come to Ottawa to get that message across.

They were willing because it is not just their livelihood, it is their homes, homes where some of them were born, grew up and are working toward passing on to their children. There are farms in my riding, maybe not as old as farming in eastern Canada, but there are third and fourth generation farmers who are willing to make the sacrifice to come to Ottawa to get the message across to the minister on how important they feel the presentation of Canada and the success of Canada at the GATT talks is.

We have to think about what is at stake. We are not just talking about farms. What is at stake if Canada's supply management boards are considered trade distorting measures by the GATT? One hundred thousand Canadian jobs are at stake, added to the hundreds of thousands of jobs that are already lost in Canada by buying in and linking ourselves closely to American economics. These 100,000 Canadian jobs include 38,000 farmers. That is not speaking of their families.

Mr. Cardiff: Mr. Speaker, on a point of order, I appreciate the remarks of the hon. member but we are on Bill C-54 which deals with check-off legislation. I have not heard it mentioned once yet.

Ms. Langan: Mr. Speaker, I introduced my remarks by saying that it is a sad day when we are introducing such legislation and I even used the title of the bill. I pointed out that this is the reason why this piece of legislation just might be a tiny bit suspect. I am laying the groundwork for why I think this legislation might be a tiny bit suspect.

One of the hon. members says that I am making it a political debate. Amazing but this is politics. This is the House of Commons. Five parties are seated here. We do not really want to talk politics or talk about the reality of large or small *p* politics in this country. That is the very kind of response that alarms farmers about this kind of legislation.

This bill covers 38,000 farmers and their families, 22,900 employees of those farmers and 36,000 processing jobs. That comes to a total of lost farm production of $4.7 billion to this country and $5.5 billion in processing, for a total loss of over $100 billion to the Canadian economy.

• (1020)

I think that is very relevant to this bill because we are talking here about farm products marketing agencies while we have our negotiators going to GATT. We are not sure that they will be taking our best interests or the best interests of farmers to GATT. It seems rather intriguing that this bill is before the House just prior to that discussion at GATT.

The loss of our supply management system through the GATT will do to rural Canada what the free trade agreement has done to urban Canada. That is devastating. Not only the farmers in my riding are going to be devastated by a failure of protection of supply management in Canada. The people in my riding, the spinoff industries such as Buckerfield's, the suppliers, the wholesaler and the people who deliver milk, are all going to be affected by the failure of this government to uphold Canada's position at the GATT.

The minister has said that our position has remained unchanged and that they will continue to argue for protection of supply management. He has also continued to note that Canada is but one of 107 countries at GATT. If we go in figuring we are going to lose, chances are we will lose. If we go in believing in our system, believing in supply management, believing in marketing agencies, then I think it is fair and safe to say that we will in fact do a good job on behalf of our farmers.

I would urge that people take farmers very seriously and consider what would happen if we lose our ability in this country to produce our food, to feed our citizens. There are those who say: "Well, get rid of these marketing boards. Get rid of that whole process because the Americans will feed us cheaper". They might feed us cheaper for the first couple of years, till they make sure all of our farms have gone under, and then we had better believe that the ante will go up. If we lose our ability to feed our citizens then I think we very much risk losing our sovereignty.

This issue is not related to a very narrow definition of Bill C-54. This issue goes far beyond this bill. That is why I am very concerned we are debating this kind of thing at this time and yet leaving farmers from all across Canada feeling at total risk that we are not taking them seriously and that we will not be serving their interests at the GATT.

I would ask that the government direct its attention to how we can best protect our farmers. Whilst the hon. parliamentary secretary feels that I have not addressed this bill, I think the whole question is inextricably intertwined. I would ask the parliamentary secretary and the government to renew their efforts to ensure that a bill like this makes sense by ensuring that we continue to have marketing boards and supply management in this country.

Mr. Maurice Foster (Algoma): Mr. Speaker, I listened with great interest to the speech of the hon. member from British Columbia. It reminded me of the Canadian Federation of Agriculture meeting yesterday in Vancouver. The umbrella organization for the entire country was holding its meeting. Outside that meeting at just about exactly this time 24 hours ago Vancouver time some 450 dairy, poultry and egg producers rallied to protest the lack of progress by this government.

Clearly that is tied into the legislation before the House today. This is the umbrella legislation, the National Farm Products Marketing Act, which provides for the Canadian Egg Marketing Agency, the National Broiler Meat Agency, and other agencies. These producers were protesting the fact that the government has been negotiating for five and one-half years and has really accomplished very little in those GATT negotiations for an industry that involves some $10 million of economic activity for this country. It involves almost 100,000 jobs and 38,000 farmers. Yet in spite of the economic impact, let alone the fact that much of that impact is resolved into rural communities across the country, the government has made so little progress in those negotiations that Arthur Dunkel in his report of December 20 never even mentioned as a negotiating option the idea of a strengthened and clarified article XI.

Those producers are angry and frustrated that the government has failed to make any progress in those negotiations. In fact there are only five countries around the world, some of them very important in trade terms, some less important, that are supporting Canada's position. They are calling on the Prime Minister, and I had the opportunity to speak to that rally yesterday in Vancouver, to rally the support of those five countries that support our position—the Prime Minister of Japan, the Prime Minister of Israel, South Korea and the other countries—to get a joint declaration and put to the President of the United States and to the European community countries that our bottom line is to maintain, strengthen and clarify article XI.

I believe that is what those protesters in Vancouver were saying yesterday. They want to see results, not just sweet words from the government, on this very important issue facing the entire rural Canada but especially the dairy, egg and poultry producers of this country.

Ms. Langan: Mr. Speaker, I thank the hon. member for his comments. The rally in Vancouver was the first of a number of activities that will be happening on the west coast. I will be attending on Thursday morning a massive rally in the Fraser Valley, on the south side of the Fraser. For those hon. members who happen to represent that area, I would suggest they might want to attend as well. I would also suggest that the Prime Minister, or certainly at the very least the Minister of Agriculture, may wish to attend. I would challenge the Minister of Agriculture to attend that rally.

We are talking about a very serious business. I think it is absolutely critical that this government get its act together, get busy and protect Canadian farmers' interests at the GATT. It is not good enough to say: "Well, we are one of 107". It is not good enough to be satisfied that only five countries are supporting us. This government claims to know how to manage the economy. This government claims to know how to organize. I would suggest it is time for it to organize and manage the economy when it comes to the farmers of this country.

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I listened to the rhetoric of the members of the opposition parties since the discussion commenced regarding the very important GATT negotiations. The first question I have in my mind is the following: Does the opposition think that Canada is alone in the process? We are saying, and we believe in this, that marketing agencies and the protection we want for farmers are as important for us as they are for them.

I want to ask the member for Mission—Coquitlam: instead of speaking, talking and saying it is so important and it is so damaging, what has she done? What has the New Democratic Party done in the international community with the Government of Canada to try to resolve this, to convince other parties? She must have contacts in her party in Europe. I am sure she does. Did she call them? Did she explain to those parties in Europe like the Green Party how important it is? I am asking her to tell me what they have done to help us and to help the farmers instead of just talking about it.

• (1030)

Ms. Langan: Mr. Speaker, the member from the government side thinks that talking about protecting farmers is rhetoric. I really appreciate that kind of attitude.

What have we done? First of all the job is that of the government. When one is elected to govern—

Some hon. members: Oh, oh.

Ms. Langan: Let me finish. When one is elected to govern one has a duty and a responsibility to lead, which this government has not done.

In terms of what we have done, we have certainly worked with our farmers. My colleague, the hon. member for Okanagan—Shuswap, if the hon. member were interested in listening, did in fact represent the case for Canadian farmers in Belgium on an inter-parliamentary tour. He spoke very strongly and very supportively toward expanding the parameters of article XI and met with a number of people there to try to influence that.

We as a party have talked to our colleagues in Socialist International as well. The government can stand here, be high and mighty, and ask opposition members: "What have you done?" But my question is: "What have they done for farmers in Canada?"

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, coming back to the legislation that we are dealing with today, Bill C-54, does the hon. member support legislation that would allow organized marketing agencies to collect a levy against imported products coming into this country?

Ms. Langan: Mr. Speaker, I am really delighted that questions and comments have gone on so long. I have noted that when I want to get up and answer questions and comments, it is over like that.

I think our party has made its position absolutely clear on that.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have enjoyed the latest exchange. To hear the New Democratic Party say it has no responsibility to do anything because it is not elected to government indicates its total lack of expectation that it will ever be elected to government.

We in this party take our responsibility seriously and have tried to assist in the situation of the Canadian farmer. We regard the situation in which they find themselves as very serious and one about which members of Parliament have an obligation to try to do something. We have striven to do that in the limited ways available to us as members of the opposition.

We have been warning about the problems with this arrangement for some time, but our pleas seem to have fallen on deaf ears. We have taken the view that the government has not been assiduous in promoting the interests of Canadian farmers in these talks. Frankly I think what happened is that the government finally woke up to the fact that it got itself into serious trouble and is now trying to salvage the situation by making it look as though every action is being taken to save our farmers. I hope it is successful. I think every member of this House shares that optimism.

In talking about Bill C-54 today, I want to indicate what I think my colleague from Lambton—Middlesex indicated in his speech the other day. We have been saying all along that while there is nothing in this bill that we find objectionable *per se*, we are concerned as to what is the real purpose of this legislation.

We are concerned that what the government is trying to do by this bill is to change the rules in relation to Canadian agriculture so that if the GATT talks are successful in leading to a collapse of Canadian agriculture as we now know it, there will be this mechanism in place to do what little good it can do in the circumstances. In other words, this bill will pick up the pieces and try to make it appear that these marketing boards still exist when they are unable to do anything about price.

That is the thrust of our concern about the bill. I submit, on the evidence, the facts and the statements by the ministers who have been involved so far in the discussion, that there is every reason for Canadians and Canadian farmers to be concerned about what is going on.

I understand the situation to be that the current proposals at GATT appear to be the final position. Of course they have not been completely finalized at this moment. They would lead to a tariffication of the barriers that basically prohibit the entry of American dairy and poultry products into Canada. That prohibition is what allows our marketing boards to operate within Canada to ensure a reasonable price to the consumer and a fair return to the Canadian agriculture industry. The system has been remarkably successful from all the accounts I have read and from all of the farm groups I have met with, as small as they are in my riding, but significant.

I have every reason to believe that the system has worked extremely well for Canada and for Canadians. It has guaranteed us a fully adequate supply at a reasonable price. We have in Canada top quality products manufactured by very efficient producers who are becoming increasingly efficient and a safe and dependable supply at all times.

The Canadian supply of these products is the envy of the world. There are few other countries that are able to match the Canadian experience in terms of the factors I mentioned: availability, dependability and quality of supply. All of those have been provided by our farmers under the existing marketing boards.

I understand that the current GATT proposal to allow for these organizations is a change whereby the protection they have against foreign imports would be tariffied. Significant tariffs would be increased which under the GATT agreement would be reduced by a fixed percentage over a five or six year period.

Then the problem arises, as I understand it, with the free trade agreement. The government has not stressed this, of course, in its discussions. It has not really told Canadians what will happen if the current GATT negotiation proceeds to completion in accordance with the existing proposal. I can understand its reluctance because, of course, what it has do is shoot a few holes in the much vaunted free trade agreement. It has to somehow convince Canadians and Canadian farmers that it is not just the GATT negotiations that will have put the boot to the marketing boards in Canada. It is also a fact of the free trade agreement.

As I understand the way it works, the tariffs will have to be eliminated over a period of time under that agreement. They are not just reduced, they are eliminated. I have read this in some of the newspaper accounts describing the GATT round. If that is incorrect, I would like to hear about it from the government. I would like to hear some statements on this because we have had no explanation as to how this will work.

The indication I have from the material I have read on this is that some special deal will have to be worked out with the United States government as part of the free trade deal to avoid the phase out of those tariffs completely. Of course, it is that phase out that would destroy completely the marketing boards as we now know them.

The tariffication would be difficult. The reduction in tariffs would be more difficult. The elimination of the tariffs with the United States would be a disaster for our farm community and they are understandably upset and concerned.

That takes me back to the free trade deal. As Your Honour will recall, we in this House in 1988 stood and opposed the government's free trade agreement. We said it was a bad deal for Canada. Indeed, the deal that was negotiated was, in our view, and I have certainly expressed this view in the election and I still say today, a sell–out of Canadian interests. It was a disaster for this country. It was badly negotiated.

If Canadian farmers are apprehensive about the possible ramifications of the GATT deal which this government has been negotiating, think how they will feel if they realize that there is an important negotiation now to take place with the United States to protect the Canadian marketing boards from this detariffication process that should follow under the free trade deal.

The Canadian farmers in particular know the bargaining record of this government. It has been rotten, just a disgrace. This government goes into negotiations with no aims or objectives. It goes in with the sole aim of making a deal, a deal at any price. We know what happened in the free trade negotiations. We remember how Simon Reisman, the government's great negotiator, went off to Washington and came back to Ottawa a few days before

the deadline and said: "There is no deal". We can only speculate as to why he said that. But I would be willing to wager that the reason was that he was given a set of parameters. The government said: "You cannot give away this, this or this". He came back to Ottawa and said: "Unless I give away some of these things, there is no deal. My mandate is exhausted. I have bargained everything I could bargain. You told me I couldn't give up on this, this and this, so I can't make a deal. The talks are off".

• (1040)

We know what happened. Then we had this minister, the wonderful Minister of Finance at the time, and one of his colleagues—I think she was Minister of Employment and Immigration who is now Secretary of State for External Affairs—go to Washington and make a deal.

We can only speculate that they gave away some of the things on Simon's list that he was not supposed to give away in order to buy the Americans off and make a deal. I will bet they gave away everything on the list because the Americans must have realized that this government was desperate for a deal.

It had invested all kinds of political value into a free trade deal and it could not really back out at this stage. Off they went and made a deal.

You would think, Mr. Speaker, that the chief negotiator, having been given a list of no-nos would then quit. Having the floor cut out from underneath him, having said: "No, I can't give you this," and then to have ministers come into the talks at the last minute and say: "Yes, you're getting all this," a chief negotiator worth his salt, with any sense of respectability would have quit, but he did not. He stayed on. Then he went on the campaign trail for the government to sell the free trade deal.

I recall in the months leading up to the election how Simon came to Kingston. He had a large public meeting at the Ambassador Hotel. He made a speech at this meeting. In the course of the speech he praised the then member of Parliament for Kingston and the Islands, who was a minister in the Conservative government, who had been giving him the instructions in these talks. He said what a great job she had done. He made speeches about how the critics of this deal were wrong. He listed all their criticisms and refuted the criticisms by reading chapter and verse from his deal. He said that these critics were all wrong.

What were some of the criticisms that the hon. member for Vancouver Quadra used to put out? I remember he said that there was insufficient protection for Canada under this deal. Here we have a perfect example of it. Here we are in GATT talks where there may be a deal that is thoroughly undermined by the free trade agreement.

In other words, whatever deal is made at GATT will be damaging for Canadian farmers, but not half so damaging as the effects of the free trade agreement on that deal, unless a special exemption is arranged with the United States. In other words, we have to go back to the table asking for more because of Simon and this government's failure to defend Canada's interest in the original talks.

Yet, and this is the most shocking thing, this man who was presumably a public servant at the time—he was certainly working for the government as some kind of ambassador for the free trade deal, I think he had that status—went about the country in the course of an election campaign making statements about the Leader of the Opposition.

I have here some quotations of things that he said. In *The Toronto Star*, November 16, 1988, five days before the election, it states: "Former free trade negotiator Simon Reisman has accused Liberal Leader John Turner of being a traitor to his country for attacking the proposed deal". Imagine, he said, and this is a direct quote from him in the same article: "These are lies that debase longstanding public traditions in this country, lies that are designed to frighten and confuse Canadian voters".

One of the longstanding traditions in this country is that public servants do not meddle in political matters. Mr. Reisman had no trouble dispensing with that particular principle when he got talking about his free trade deal. He said, and I quote from *The Globe and Mail* on November 17, four days before the election:

> "I think the man who is selling out Canada is John Turner", Mr. Reisman said on a Toronto CBC news show, "because he's reckless, he's betraying the country and he's playing with the future of our children and our grandchilden. And I challenge him, I accuse him of being a traitor to Canada for saying the things he is saying".

I could go on quoting all these sorts of things from Mr. Reisman, but I think I do not need to because we now have Mr. Reisman singing a different tune. He has finally wakened up to the fact that he sold Canada down the drain. In *The Ottawa Citizen* on January 18 of this year, we have Mr. Reisman calling the Americans "thugs". The free trade negotiator who spent months in bed with the Americans in Washington selling our country out now refers to his former friends as thugs. When I say he was in Washington with these people, he had the full connivance and support of the Tory cabinet because they were down there doing the same thing.

He says, and I am quoting from the article now: "Punitive trade actions against Canada are dangerously close to outright violations of the Canada–U.S. Free Trade Agreement say the two top Canadian negotiators of the deal".

I do not like to use this kind of language but he said: "The Americans are bastards; they are behaving like real thugs these days and protecting their interests". This is a quote from Mr. Reisman. His language seems to be intemperate.

The right hon. member for Vancouver Quadra in 1988 was a traitor because he criticized the deal. Now Mr. Reisman says that the Americans are thugs and calls them other unpleasant names because they are taking full advantage, full advantage I may say, of all the rights they acquired under the deal, rights that Mr. Reisman and the Tory cabinet sold out, Canadians rights they sold away. They were warned that the free trade deal was a bad deal, that there was a lack of protection for Canada in it, by the Leader of the Opposition at the time and by members of this caucus who spoke against this deal across this country. Now they are finally realizing that maybe the right hon. member for Vancouver Quadra was right. Maybe he was not the liar. Maybe it was somebody else. Maybe he was not the traitor. Maybe it was somebody else. What is shocking is that there has been no public apology for those shocking statements. Mr. Reisman was not the only one who called the Leader of the Opposition a liar.

Then there was the Minister of Finance who referred to him as a liar. The hon. member for Broadview—Greenwood remembers that well because he is a Toronto area member, as is the then Minister of Finance. He made statements accusing the right hon. member for Vancouver Quadra of being a liar. We know that there was a concerted effort by the Conservative Party to discredit the then Leader of the Opposition in the course of the free trade debate. It was felt that if he could be discredited then his arguments on free trade would carry less weight and the Conservative government could get re-elected.

They set out on a deliberate smear campaign to destroy the credibility of the right hon. member for Vancouver Quadra, led by the then Minister of Finance in one of the most shocking episodes in recent Canadian political history and supported fully by a public servant.

Mr. Mills: Don't forget the full-page ads.

Mr. Milliken: The hon. members says: "Don't forget the full-page ads". I quite agree.

Mr. Foster: Three or four million dollars.

Mr. Milliken: The hon. member from Algoma says: " It is $3 million or $4 million". It was much more than that. The studies indicate that it was at least $15 million if not $20 million. It was a fabulous sum of money, all raised by Conservative government supporters who paid good money to run advertisements in the newspapers of Canada to hoodwink Canadians into thinking that the free trade deal that our friend Simon negotiated was a good deal for Canada.

Everyone knows that it was a very bad deal for Canada. It is the reason why Canadian farmers are concerned to the point of distraction today. They know that if the government does not sell them out in GATT, it will sell them out under the free trade deal that it has negotiated. They are very apprehensive that the people who will do the negotiating to save the Canadian government's position under the free trade deal when such negotiations are under way are the people sitting on the other side of this House who have a proven record of incompetence, inability to negotiate anything worth while and who are a disgrace to this country and should get out so that we can have Canadians elect a new government and get on with the business of this country in a proper and efficient way.

We cannot have this government back to the negotiating table. It does not know what it is doing at the negotiating table. It will give anything away to make a deal and to please its friends, the Americans. We have to remember that the Americans are our best friends and

they are our closest neighbours. But our leader says: "Business is business".

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. I may remind the hon. member that we are still discussing Bill C-54. The Chair is trying to be as flexible as possible, but perhaps the hon. member would bear in mind that we are still on Bill C-54.

• (1050)

Mr. Milliken: Yes, Mr. Speaker, I realize that. As I said at the beginning of my speech, my comments on free trade are relevant because the proposed legislation alters the obligations of marketing boards.

[*English*]

I tied it directly into that because these marketing boards are under attack because of free trade. I have gone off the track slightly to talk about free trade because it is very important to the future success of these marketing boards.

I have tried to point out in the clearest possible terms that the marketing boards will fail unless an amendment is made under the free trade deal to protect them. The current GATT talks are going to result in a tariffication of the protection that is built in for these marketing boards. They will be diminished and eliminated under the free trade deal unless arrangements are made.

That is why it ties in. These boards will become empty shells unless some other arrangement is made. The government should be under the gun and apprehensive but we do not see any sign of that. The Minister of Finance went out to speak to the crowd last week. His assurances that he was fighting his best for their interests were great. Unfortunately it appears that his fight was taken up rather late in the game.

We on this side of the House have condemned the government for its actions. We wished it had acted with greater alacrity from the outset to protect Canadian farm interests. We regret that its inability to negotiate has resulted in a bad deal at GATT. It has resulted in a bad deal under the free trade agreement and I am sure I could list other negotiations that have been very badly handled. The Public Service strike that resulted from their botched negotiations last year comes to mind.

I am sorry that Canada is saddled with a government as weak and ineffective as this one. I wish that today, before the budget comes down, the Prime Minister would go to Rideau Hall and advise the Governor General it is time the country got a chance to pass its judgment on these people in an election.

Mr. Cardiff: Mr. Speaker, I would tell the hon. member not to count on it.

In respect to Bill C-54, the Farm Products Marketing Agencies Act, it was very heart warming to hear the member mention that he supported the bill in principle. I would be very disappointed if I was a producer in this country listening to the comments being made. Many producers of products across this country believe this legislation will help them in the promotion of their product and for the use of Canadian products. Very little is being said in respect to what this legislation is.

The government has been asked for this legislation since 1984 and perhaps before that. We are the first government that has offered to bring something forward for the marketing agencies, not just the supply management agencies. They have their certain ways of collecting funds, but we have many other agencies that do an exceptional job in the promotion of farm products across this country. They have not been able to charge check-offs on imported goods coming into this country. They believe, as we do, it is very essential that we make these amendments to this act.

If the member wishes to have a debate on GATT, let us use an allotted day and have a full-fledged discussion where all people can participate. Let us stick to the legislation we are dealing with right now.

Mr. Howard Crosby (Halifax West): Mr. Speaker, it would take half an hour or more to refute the litany of misconceptions advanced by the member for Kingston and the Islands on the subject of the farm products marketing agencies. Let me deal with one of two. It appears to me this is a city lawyer's view of agriculture in Canada.

He spoke about Simon Reisman. These remarks were explained fully in an interview with Peter Gzowski on Canada's national broadcasting system, CBC radio. He indicated very clearly that he was talking about U.S. traders in relation to Canadian traders. He was not talking about government officials. He was not talking about the U.S. officials and the Canadian officials that negotiated the free trade agreement. It was the lack of

goodwill on behalf of the traders. We can expect that sort of thing in trading wars as the member should know.

Let me deal with another point he made about marketing boards and the free trade agreement. During the free trade agreement debate the agriculture community raised the concern that they were threatened in relation to marketing boards by the provisions of the free trade agreement. We said there was no threat and they would be protected.

Three years have elapsed since the signing of the free trade agreement and marketing boards are flourishing in Canada. Indeed we saw 30,000 beneficiaries of that very system on Parliament Hill. What are they afraid of? They are not afraid of the free trade agreement but the GATT negotiations. It was the Liberals who stood in this House of Commons and said to scrap free trade and rely on GATT; GATT will bring us everything we need in the international field. Now they are coming back and saying GATT cannot be trusted and we have to get rid of GATT. They want to get rid of free trade, get rid of GATT, get rid of everything and isolate Canada. It will not matter about marketing boards because there will be nobody to buy anything.

I just want the member for Kingston and the Islands to answer one simple question. I know there are Liberal business people across this country who want to hear his answer, Liberal Party supporters who trade internationally. If article XI is not changed in the manner he directed and if the wishes he presented to this House today are not granted in the GATT negotiations, does the member recommend to the Government of Canada that it withdraw from GATT?

The Liberal Party members who support the member want to hear his answer. Does he recommend withdrawal from GATT?

Mr. Milliken: Mr. Speaker, I am glad to answer the hon. member. I will not recommend that Canada withdraw from GATT unless additional information comes to light that we do not have now.

Knowing this government's secret deals, it will not release the documents that it should be giving to this House, as has happened in the United States. We are not privy to those documents. We do not know what the deal is. Until we see it my answer can only be taken for what it is worth.

I want to say something else to the hon. member. He has become an apologist for Simon Reisman. Like Mr. Reisman, he gets misquoted once in a while so now he is trying to justify Simon's bad language and intemperate remarks. Well we did not hear him trying to do that during the election campaign in 1988 when Mr. Reisman was calling the member for Vancouver Quadra a traitor and a liar. That is when he should have been on his feet saying that Mr. Reisman, as a public servant, had no business making any such statement whether he thought it or not. Mr. Reisman had an obligation to stay silent on those issues and exercise the proper discipline that applies to public servants.

I would have loved to have come into government in 1988 because if I had been Mr. Reisman's minister he would have got the boot so fast he would not have know what happened to him. Public servants have no business making statements like that, especially in the course of an election campaign. Mr. Reisman went way beyond the bounds of propriety in his comments about the hon. member for Vancouver Quadra.

The second point the hon. member raised is that somehow the free trade deal has had no effect on Canadian farmers. He clearly has an ever so selective memory because, although I do not understand or pretend to understand the full ramifications of it, I am fully aware there was an ice-cream and yoghurt decision made which was seriously jeopardized from Canada's point of view, by reason of the free trade deal. Canadian farmers have suffered terrible losses because of that decision as I understand it. My colleague from Algoma can explain the situation better, but as I understand it Canadian farmers would have done much better had that decision not been made. Yet the free trade deal had a very direct bearing on the outcome of the case dealing with ice-cream and yoghurt.

The hon. member obviously is the one who is speaking from a city lawyer perspective. I would suggest he get his facts straight, cast his mind back even a year or two and remember that Canada got shafted because of the free trade deal. Canadian farmers are paying because of this free trade deal. On the evidence that is before us, uncontradicted by the parliamentary secretary or any-

body else, Canadian farmers could pay a good deal more because of the free trade deal.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, it is my pleasure to stand in this House today to debate Bill C-54 which is an act to amend the Farm Product Marketing Agencies Act and other acts in consequence thereof.

I think it is an important debate because it deals specifically with issues that this country is now dealing with in the international arena.

I know that many Canadians believe they do not really understand what this debate is all about. They really do not understand what supply management means. They do not really understand these GATT negotiations or what GATT means and how these negotiations could affect their everyday lives. I would like to change this indifference and misunderstanding about supply management which seems to abound not only in the seats across the way but in editorial boards across this nation. I believe strongly in the message coming from a number of Canadians, especially in the farming sectors of rural Canada. That is, without a viable Canadian farming sector there can be no food security for Canadians. We all know what the consequences of no food security for Canadians means.

• (1100)

Because of the public indifference and the real ignorance out there on this issue, I would like to urge every member on the other side of the House, Canadians from urban areas, heads of editorial boards and newspapers to listen to what members of Parliament, especially on this side of the House, are saying about this issue. It is a very important issue for Canada.

Many of them may not fully understand the issue at hand and may not really understand why we are supporting this thing called supply management. Hopefully the government will actually be able to convince people in the international community and all Canadians of the reasons why Canada needs article XI of the GATT. That is why our debate today is so important. I am concerned about the misinformation out there, and what it is doing to Canadian producers. I am concerned when I read in the newspaper that our Canadian supply managed producers are inefficient. This came from an article by Mr. Leblanc in *The Financial Post* yesterday, where he ended by saying "Canadian farmers of supply managed commodities are inefficient". Editorial writers like him and editorial writers across the country do not really understand the importance of a national food security system for Canada.

I know we have not had a very long history as a country. We have not had the wars Europe has had which tore countries apart and forced people into near starvation. But I think if these people understood how important food is to the sovereignty of a country, they might think differently about what they are saying about supply management.

I am concerned also that these theoretical economic arguments really make no practical sense when it comes down to the day-to-day lives of Canadians. They make no practical sense when this government talks in terms of esoteric economics, saying that we have to join world economic blocs. Well that means very little to the farmers in my area. It means very little to the workers across Canada who want jobs, and the farmers across Canada who want livelihoods they can turn over to their children.

Supply management is really not too hard to understand. It ensures that the supply of any given product does not exceed the demand for it. Agricultural sectors that are supply-managed do not contribute to world surpluses. As a result they do not contribute to artificially low prices that we are seeing around the world today. Ultimately supply management does not distort international trade, and that is why GATT is there. GATT is there to stop distortion of international trade.

That is why Canadians have to work really hard, whether they are in cities or rural areas, whether they are on newspaper editorial boards, whether they are farmers. We have to come together to explain to the world why a system like supply management is so important.

As a result of not distorting trade, Canadian supply management is not a burden on the Canadian taxpayer. In fact I would argue that without supply management, Canadian taxpayers would be paying much more for their food and many more taxes, to help boost the livelihoods of Canadians in rural areas. Instead, prices and quotas of supply managed products are based on the cost of

production. In other words, poultry and dairy farmers receive a fair price for what they produce.

Consumer groups have spent a lot of time and a lot of energy. In fact, they have received a lot of the money for this time and energy from the government across the way, from the Minister of Agriculture, to do studies on supply management. As a result of these studies they claim to tell Canadians that they would be better off without supply management.

Unfortunately I have found in most cases, when reading their studies, when reading what they say, that they have a lack of knowledge and a lack of understanding of what the issue is all about. They really ignore some of the most important realities.

Sure, in the short term if we move away from supply management, it would probably look good for consumers. We would have open markets, cheap food and that is the argument.

Mr. Parker: About six months.

Mr. Speller: Yes, for about six months, if that.

The notion of this cheap food is a fraud. It is a fraud brought upon most Canadians by a group paid for by this government.

People, in their short-sightedness, have forgotten the simple economic theories of supply and demand. In times of surpluses we would be a dumping ground for surpluses of foodstuffs. But in times of food shortages, which is always a real threat in this world, we would always be the second best market.

In either scenario our producers could not survive and it is not because they are inefficient. The fact is true competition can only take place when producers compete on a level playing field.

The highly subsidized farmers in the United States and Europe are hardly fair competitors. They are highly subsidized. This so-called world price that members across the floor on the other side like to talk about so often is not a real price. It is a magical price brought out of the air because of our friends to the south, who really are the only ones we need to convince on this issue.

We sent a group of farmers and a group of politicians over to Europe last week to talk to the Europeans when we all know that there really is only one person in this world who we have to convince. That is the Prime Minister's friend, Mr. Bush.

Those of us who have studied GATT, those of us who have studied international trade for a number of years, now know how it is controlled. We know the only country in the world that really wants these markets of ours is the United States.

Europe is not going to ship over a whole bunch of milk to Canada to go into our markets. Sure, they want a bit of our cheese market maybe, but that is it.

It is the American president to the south, congressmen and senators who are telling their farmers: "Now hold off. Just wait. Don't worry. I know things are rough now, but you have a market to the north coming real soon because we have been given a guarantee that you will get that".

For all Canadians, the issue is an issue of national security. If a country cannot supply its own foodstuff, it will not be an independent country for very long.

The draft GATT agreement calls for all internal and external subsidy, border restrictions and trade barriers to be converted into tariffs which are to be reduced over a period of time. This would have major implications for supply management and we could no longer control the quantity or the quality of the food that we produce in this country and that we allow into this country.

With tariffication and once tariffs are reduced, American multinationals can invade our markets with cheap food because they can set prices below the cost of production. They can do this because the American government subsidizes their farmers at rates much higher than those in Canada.

• (1110)

We do not hear this very often from across the floor, but the cost of production is 25 per cent cheaper than in Canada. How can we compete as Canadians? How can our farmers compete on a so-called level playing field that the government talks about when our cost of production is 25 per cent more? For this reason they can also survive longer in low markets.

In an attempt to force competitors, namely Canadian farmers, out of the market, of course for the ill-informed consumer out there, this means initially cheaper food. But what happens in the long run once all our farmers have been displaced by three or four major American

corporations? We will simply be at the mercy of other countries and totally dependent on them for our foodstuff.

So much for nationalism and so much for sovereignty. Then we will pay for our short-sighted policies of the 1990s. Canadians pay a fair price for their food. In fact, we pay the second lowest price in the world for it.

On the other hand, as has been so eloquently outlined by my friend, the member for Lambton—Middlesex, many Canadians out there know his name; they have seen the work he has done in "Compare the Share". He points out that Canadian farmers have not been getting their fair share of the Canadian food dollar.

If this goes through there will not be any Canadian farmers out there to get any share of the food dollar.

In many instances for example in 1980, the price spread between the farm gate price of milk in a kilogram of cheddar cheese and the retail price for that same cheddar cheese was $3.13.

By 1988 the price spread had more than doubled to $6.94. This kind of discrepancy between farm gate and retail prices is also true for beef, poultry, pork, corn and wheat, many of our farm products.

As politicians it is our responsibility to get the message out to the rest of Canada as to the importance of Canadian food security.

For rural Canada, our problems are twofold because when our farms go, so do our infrastructures. The whole rural infrastructure disappears. We are feeling the pressure of that today throughout southwestern Ontario where I come from, especially in my riding of Haldimand—Norfolk.

This argument just is not about cheap food and it is not just about farmers being displaced. It is about the ability of the nation to produce its own food and to secure its food for the present and for the future.

We must not sacrifice our ability to produce food in Canada. We must not sacrifice that. To have to rely on another country for the supply of our domestic market is a real threatening thought. We can see, today, why the Europeans for instance are bargaining so hard. They have had to do that in the past.

At least in our current system of supply management we can guarantee consumers access to high quality food at very reasonable prices. Ultimately we must also recognize that sovereignty is linked to the ability of a country to feed its people.

We have been given assurances by the government that it stands by its promise to strengthen article XI at GATT. Yet we know the importance it places on reaching an agreement at the GATT.

We have heard from farm groups that tell us that if we move to a system of tariffication, our agricultural industry will disappear because farmers will be thrown out of work and rural infrastructures will close down.

We have not heard the most convincing argument. As a result, we are missing this real important point. Surely if all Canadians understood what was at stake here, the future of our food supply and indeed the future of our country, they would be less indifferent to the dilemma now being faced by our Canadian farmers.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I listened with interest to my hon. friend's remarks and I must say that I totally concur with the support he provides for our supply management system in Canada.

Of course all members of this House are gravely concerned about the potential impact of the GATT negotiations on our dairy, poultry, egg and turkey marketing systems in Canada. We hope that our government and our farm leaders who are involved in the negotiations are successful in getting the Europeans, and particularly the Americans, to recognize that the security of food supply in Canada is a very legitimate concern on the part of Canadian farmers as well as all Canadians.

Nevertheless we may be faced with the prospect that a deal may be reached in GATT that does not provide for the maintenance of supply management, for the maintenance and clarification of article XI, as is the position of this government, as is the wish of literally thousands of farmers across Canada.

I would ask my hon. friend if he would tell us what the position of his party is and what his position is, should an agreement be reached at the GATT that does not provide for the maintenance and clarification of article XI. Is it his recommendation, is it the position of the Liberal party, that the agreement should not be signed by this government?

Mr. Speller: Mr. Speaker, I was going to thank the hon. member for taking a non-political view on this but I guess I will not.

I will tell him what I would do. I really wish we on this side were in government because we would not have put ourselves in the position this government is in.

If I was a negotiator and I wanted to put forward the best argument I had to support my country, I sure as heck would not go before Canadians and say: "Look, we are going to sign this agreement anyway. But we are fighting as hard as we can on your behalf, but I want you to know, Mr. Bush down there, we are still going to sign this".

I want to ask the hon. member, why is it that George Bush has not said he is going to sign it? Has the head of the European Community said he is not going to sign it? Why is it that our Prime Minister is the only person in the world to come forward and say: "We are going to sign it anyway". What kind of negotiating position is that?

The Acting Speaker (Mr. DeBlois): I will remind all members that the discussion is on Bill C-54.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I want to congratulate my colleague, the hon. member for Haldimand—Norfolk who has once again demonstrated a very strong working knowledge of the issues which most affect his constituents. His constituents can be proud of the fact that they have a representative who is such a strong voice for them here in the highest court of the land.

While it is true that supply management is a most complex issue which most affects the producers of Canadian agricultural products, I would like to ask the hon. member this. This issue does not get the attention of people who were born and raised and spend most of their lives in the city. I wonder if the hon. member could explain to those who live in urban Canada that the issues of rural Canada affect them as well.

Mr. Speller: Mr. Speaker, I thank my hon. friend for those comments. He has hit the issue here. He really has hit the point that all of us on this side of the House, especially those from rural Canada, want to get across. We need to speak to those in the urban centres who are now listening to some newscasts on TV that are telling them that with supply management the prices are much higher, that farmers are being subsidized. As the minister of fisheries said, they are being subsidized to the tune of $16 billion annually, that governments are paying a lot to their farmers and therefore they are inefficient.

• (1120)

It is not really a hard argument to get across because it is a question of national food security. I ask them in urban centres: Which would they rather have? Would they rather have a country that depends for its food on another country? Canada, because of the closeness of the U.S., would more than likely be dependent on the Americans if we open our borders. The Americans have many advantages over Canadian farmers, not only the cost of production, which I mentioned earlier is 25 per cent cheaper there, mostly because of these government tax increases that we have been seeing over the last few years, but also they have the larger market. They have these large—as our fisheries people say—almost factory ships. They have these huge, huge farms with hundreds of thousands of birds.

Let me tell you, Mr. Speaker, the quality of the meat that comes from these farms I would not even look at, let alone eat. We are talking not only cost, we are talking quality of food. The Canadian quality of food in a supply managed country and the efficiency of those farmers can be found nowhere else in the world.

Which would they rather have? Would they rather have a low quality food which in the beginning may be a little cheaper or would they rather have a country that has a farm sector which can feed itself? It is not too hard an argument to put forward.

I say to Canadians in urban centres that the importance of this question is one of self-sufficiency and national security for Canada. I thank my hon. friend for pointing that out to the House.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I would just ask the member a question, based on his remarks of a few moments ago where he made derogatory statements about the Prime Minister with reference to whether or not Canada might sign the GATT. I would like to remind him that just a few days ago when the NDP was arguing that we should say we will not sign, his colleague, the hon. member for Winnipeg South Centre, who presumably speaks on behalf of his party on external affairs and trade matters, or at least

has in the past, suggested that Canada would be crazy not to sign the GATT.

I am wondering how he reconciles his comments about the Prime Minister with the spokesman from his own party who has stated flatly we would be crazy not to sign the GATT at the end of the day.

Mr. Speller: I have to say to the hon. member that I too was disappointed in the NDP motion. I saw the press release that they put out, and I say this sincerely, that said they were really going to take a hard line on this and stand up for Canadian supply managed farmers. When the motion came forward to the House it never really said anything about whether or not we would sign a deal or not a sign a deal. It had really become watered down. That disappointed me.

In terms of whether or not—

An hon. member: Why didn't you amend it?

Mr. Speller: Well, Mr. Speaker, we did amend it.

We as a party would never have put ourselves in this position. We as a party would never have signed the free trade deal. Do not forget our leader went down to Washington. He talked to President Bush and let him know exactly where we stand on this issue. We stand fully behind our Canadian farmers. We stand fully behind those Canadians who believe in a national food security policy for Canada. As much as we have tried to convince our friends in the other two parties to take the same stand, they refuse to.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before resuming debate, I point out that after the first five hours of debate speeches are limited to a 10-minute maximum, without questions and comments.

[*English*]

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is a pleasure to have the opportunity to make a few comments in regard to the bill that is before us.

Bill C-54, as the title suggests, is really a bill to establish a national farm products council and to authorize the establishment of agencies for farm products.

There are some good sections of this bill. There are also some recommendations in the bill that are going to cause some real difficulties.

The overriding concern I have is that this particular legislation is, at least at this point in time, almost irrelevant in terms of the larger debate that has been before the House and has been discussed at the ongoing negotiations in the General Agreements on Tariffs and Trade. There is not much future in passing this bill if the decision from GATT comes down against the very future of marketing boards and marketing agencies in Canada.

That is why I say that the bill is essentially irrelevant in the context of the larger debate in which we are still immersed.

What really is at stake, when we look at the difficulties that Canadian farmers face, is the very future of marketing board structures in Canada and, I submit, the very future of the Canadian way of life. We have 100,000 Canadian jobs that are dependent upon our well-established system of supply management in Canada: 38,000 dairy, poultry and egg producers, almost 23,000 employees of these farmers and some 36,000 processing jobs that spin-off from these particular industries. That is $4.7 billion that could be lost in farm production if our marketing board systems, which this bill reflects upon, are in fact lost or unravelled, as well as $5.5 billion in processing. When you look at the over-all impact on the Canadian economy, some $100 billion in economic activity is generated by our agricultural community.

I want to go back and put a historical perspective in terms of why this government is between a rock and a hard place on this issue of the future of marketing boards in Canada today. First of all, let us reflect on last Friday when we had over 40,000 dairy, egg and poultry producers from across Canada rally on Parliament Hill in protest of what they conceive to be the possible loss of their livelihoods, the loss of supply management in Canada.

The government tried to spin the line that the 40,000 farmers out on the Hill on Friday had come in support of the government's position on marketing boards, but I want to make perfectly clear that those farmers were angry out there. They did not come in support of the government's position, they came to reinforce and to ensure that the government does not back down on their position with respect to article XI in GATT. If you can call snowballs and eggs a show of support then this

government has a rather twisted sense of reality. The farmers are very, very worried that this Prime Minister and this government are about deep-six marketing boards in Canada. They came to make their point perfectly clear to this government that they do not want to see that happen.

• (1130)

How did we get to this position where the future of our agricultural industry is in fact at risk? It is a very serious situation indeed. If you look back to 1987 in some of the opening rounds of the Uruguay round of negotiations at GATT, Canada at that time under this government, this Prime Minister, submitted a proposal to those negotiations, the initial proposal on the table. I read from the script here. It is entitled *Proposal by Canada Regarding the Multilateral Trade Negotiations in Agriculture*, and it is dated October 20, 1987, from the negotiating group on agriculture.

If I could just read a portion of that text I think the answer to my question becomes perfectly clear. Let me just quote.

> Canada proposes the adoption of a comprehensive approach which would result in the elimination of all subsidies which distort trade and of all access barriers.

The United States has fingered Canada's marketing boards as being a trade barrier, an access barrier. It has identified the very system of our agricultural industry as being an unfair trade-distorting mechanism. Here is our government acknowledging "all access barriers and distortions of trade will, over a period to be negotiated as an initial phase of this process and consistent with the above goal, a major reduction in all these trade-distorting subsidies, a major improvement in secure and predictable access to be phased in over five years".

It goes on to say: "The use of a single measure"—Mr. Speaker, read my lips: "single measure" means tariff—"which converts all access barriers, administered price systems and trade-distorting subsidies shall be implemented".

What we are talking about here is very simple: We are talking about tariffication of agricultural products into Canada. And if you talk about tariffication, the consequence is ultimately the dismantling of our supply management systems, because supply management using quotas cannot exist in parallel with the process of tariffication of the industry. It just cannot happen. That is where this government has been duplicitous in its arguments at the General Agreement on Tariffs and Trade. What it has said over the past week is "we support article XI, we want a strengthened article XI, we support the concept of marketing boards in Canada—oh, yes, but we would also like to see tariffication".

As I said the other day, you cannot have it both ways, and this government has been trying to play two tunes on the same fiddle. We have the Prime Minister talking about the need for support of agricultural marketing boards. We have the Minister for International Trade in a private letter to all his government MPs basically trying to sell the concept of tariffication.

The question I asked last Friday stands: Does this government support marketing boards, or does it support tariffication? You cannot have it both ways.

What is the reason for this whole shemozzle that we now have before us? The reason is very simple: The United States wants to open up our trade barriers to gain access to the Canadian markets to sell their surplus production. And, boy, have they got surplus production. They could have virtually swamped the Canadian market in dairy, poultry and egg produce. That would completely eliminate agricultural life in Canada as we know it today.

The farmers understand that. They know that their future is at risk, they know that their investment is at risk. That is really what is before us today. That is why I say—and I know my time is limited, but if I can just summarize—that this particular bill, Bill C-54, that we have before the House is really irrelevant in the context of this larger debate. Bill C-54 has been presented at this time for the reasons of political optics: The government wants to be made to appear as supporting the concept of agricultural boards and supply management by introducing this piece of legislation. Well, it won't fly. The 40,000 farmers who were on the lawns of Parliament Hill on Friday understood that. Their message was clear: "Don't sell us down the drain with article XI. Don't sell us down the drain by tariffication. Support the future of marketing boards in this country". That is what this government has to do. In terms of the agreement, it may require us saying we are going to ignore those provisions of the agreement. Other countries have done it before. They

have ignored the recommendations of GATT. We may very well have to be placed into that position. We cannot sign away the future of agricultural life in Canada today. It is simply unacceptable.

Mr. Joe McGuire (Egmont): Mr. Speaker, it is my pleasure this morning to make a few remarks about Bill C-54, an act to amend the National Farm Products Marketing Agencies Act and other acts.

Before I get to the bill, I would like to make a few remarks about the tremendous effort made by the producers of Prince Edward Island last Friday in their participation in the great march on Parliament Hill. This had to be the largest but the most orderly march that ever occurred on Parliament Hill.

In Prince Edward Island we have approximately 600 dairy producers. We have a number in the chicken marketing board and the egg marketing board. Out of these total of say 650 farms, fully 200 of these people showed up at their own expense to demonstrate to this government their concern about the possibility of them losing their livelihoods.

On Thursday night after they finished their work in their barns, finished milking their cows and so on, they drove to Charlottetown where they rented two aeroplanes to fly them to Ottawa. They arrived in the middle of the night or very early in the morning, three or four o'clock Friday morning. They caught a few hours of sleep after they checked into their hotel. They showed up on Parliament Hill at 10, 10.30 Friday morning, demonstrated their concern to the government and to government officials and met government officials in the meantime for approximately four to four and a half hours. They then returned to their hotel, flew back in the late evening, arriving in Prince Edward Island at two o'clock in the morning, drove home to their various farms across the island and did their farm work that morning.

This is a tremendous and magnificent demonstration of concern and commitment to the supply marketing system in P.E.I. These farmers knew. They have been looking around for the last number of years, observing what has been happening to their neighbours in agriculture. They are seeing their neighbours who were in the hog industry having a very difficult time partially in regard to the countervailing duty and barriers that our friends to the south continue to put up.

They have noticed their friends who are in the potato industry and seen what they have gone through this last two years since the discovery of PVY-N in the potato crop there. If nothing else, it could scare producers and scare people who live in the rural areas. P.E.I. is basically a rural province. Without the farming and the fishing in Prince Edward Island, we really would have no reason to exist.

There are only four methods, four sources of real wealth in this whole world: farming, fishing, forestry and mining. All wealth derives from these four sources. Prince Edward Island is very fortunate in having two of those sources. They are basic to them to a great degree in farming and fishing and to a lesser extent, but still a very important extent, in forestry. We do not have any mines in Prince Edward Island.

To demonstrate their concern for the future, not only of themselves and their families and their way of life, but to demonstrate their concern for the future of their whole province, we had fully one-third of the producers marching on Parliament Hill to try as a last desperate effort to show this government what is actually going to be happening in Prince Edward Island if it fails in its GATT negotiations.

• (1140)

All is not lost. I do not want to be a harbinger of bad news all the time, but we do have some very powerful friends on the world stage. In this case, it is the Japanese on whom we are going to rely.

The Japanese are very concerned about their import restrictions on rice. They are a very powerful player on the world scene. I cannot see them letting their farmers down with regard to the supply of rice. If the Japanese get a special waiver under GATT to protect their farmers from the importation of rice, there is no reason in the world why this government, the Canadian government, cannot get a similar waiver to protect its farmers in the supply market commodities.

We know that the American farmers are not happy at all with the conclusions that Mr. Dunkel is coming to in order to sign an agreement on agriculture in GATT. The American farmers are not pleased at all. Sixty-some senators in the U.S. Senate have written to the President of the United States. These senators represent rural states. They are urging President Bush not to sign the

agreement if it is not changed as far as their producers are concerned.

We know there are a lot of European farmers who are not happy with the Dunkel recommendations, and we know that the Canadian farmers are certainly not in any kind of agreement at all, although it would help to a small extent at least the prairie grain farmers.

What are the chances of these governments signing an agreement, knowing very well that farmers in various countries, Canada, the United States, Japan and Europe are not at all happy. I really cannot see politicians overruling or overriding the concerns of their farmers.

It is strange that we are debating Bill C–54 here today. It is a bill that, if the government fails in protecting article XI and in strengthening article XI, will only be of use to farmers who are not in the supply marketing system. This bill that we are amending is called the National Farm Products Marketing Act.

This is the act that the Liberal government put through in 1970–72 with Senator Bud Olson and the friend of marketing boards whom all farmers know, Eugene Whelan. They fought to put that act through in those days. This is legislation under which they formed the dairy marketing board, the chicken marketing board, the turkey marketing board and so on.

This is the legislation they were created under. If the government fails and our supply marketing system goes to tariffication, the only people who are going to benefit by this act at all are those who are not in the supply marketing system.

The horticultural industry or the beef producers will be able to form agencies in order to collect check-offs which are funds that they will be using to promote and market their products. They will be the only farm groups able to use this particular legislation.

It is a very unusual thing. I do not know why the government chose to use this particular act to bring in this ability. I know this is going to be of great benefit to people in the horticultural industry, especially those who spend a lot of money promoting their products. We have a very short growing season here and they put great effort into promoting products such as strawberries. We spend the rest of the year importing strawberries from the rest of the world, especially the United States. Now, we will be able to check off strawberries and other horticultural products coming into Canada which will be to the benefit of our farmers in this regard.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am pleased to have a few moments to speak on Bill C–54. As my colleague from Egmont said, this bill only has limited use and really only applies to certain sectors of the agricultural community. The previous speaker from the New Democratic Party mentioned that this bill is more political optics. It is another diversionary bill from the Government of Canada.

I want to speak to this bill as an urban member. So often in agricultural issues members, especially urban members, do not fully comprehend the relationship of the needs of the rural community to our needs in an urban centre.

The relationship became very apparent to me about a year ago when I was visiting Moscow. While I was there speaking at an environmental summit I had the occasion to visit various parts of the city. I got up early in the morning to make these visits and day after day I saw people lining up at seven o'clock in the morning with brown cloth sacks waiting to get into the local food market. When I saw these lines I naturally thought: "Well, there must be some kind of a special on in these particular stores". However, upon further research I saw that the reason these people were lining up at seven o'clock in the morning was because there was just not enough supply. If they did not get there early in the morning they might not have any food for the day.

I went into a few of these stores and upon examining the situation even more closely I could see that it was not just that the quantity was so little but that the quality of the food was so poor. It is absolutely beyond one's imagination. You have to have been there and seen it to believe it. The way people in Moscow treasure their food supply is something that we in this country have no conception of.

When I returned I did my grocery shopping in the local Knob Hill Farms or Loblaws or some of the other stores in the Danforth area and I thought back to the experience I had in Moscow and Latvia, where most of the shelves were absolutely bare.

We in this country have no real appreciation for security of food supply. We have no idea of the importance of the contribution the farming community of this country makes toward our quality of life. You really must be without or see people living without in order to fully appreciate it.

We saw a situation last week when close to 40,000 farmers visited this city to try to communicate a message of concern. They were not just sending that message of concern for their own farms. They were sending a message of concern for all people in this country. We in this Chamber have to get our heads around this issue. We have to wake up and make sure that people in this country understand that the link between the rural economy and the urban economy is an inextricable one. As the rural economy goes so goes our urban economy. I have been saying in this House that the strength of this nation is proportional to our food supply.

• (1150)

We are a nation whose strength has always been measured by our ability not only to feed ourselves but feed other regions of the planet. We have one of the most progressive food supply programs anywhere in the world.

Yesterday, I referred to a paper written by my colleague from Lambton—Middlesex, *Compare the Share*. Today I would like to refer members to a paper written by a member from the government side, the member for Souris—Moose Mountain. In January 1992 he presented a paper called: *Food: A Priority*. It is a fabulous document. One of the national journalists in *The Toronto Star*, Carol Goar, covered this paper in late January. I refer it to everyone in this House.

What we are talking about here today in this bill is bringing attention not only to all members of this House but to all Canadians that our farming communities and our agricultural communities need help right now. They need to know that we, as national politicians, are behind them. We are behind them because that security of supply, that quality of supply, is something that has always been the envy of the world. The government over the past few years has tended to dismantle things, tended to retreat from governance rather than charging ahead. Rather than leading this government tends to wait and see, to hive off, to decentralize.

I am so nervous. With the budget coming out today, with the constitutional document before us, with this tremendous problem we are having with the most precious resource we have in this country, our agricultural community is being shaken to the core. I am so nervous that if this government continues on its current strategy of devolution of powers and dismantling our farmers may be caught in the cross-fire.

The Prime Minister said last week that he would do his best to maintain the marketing boards of this country. I hope, not only for rural Canada but for all of Canada and also for the world, that he is able to achieve that because the greatest strength this country has is not only the ability to feed ourselves but to feed those who are most disadvantaged in the rest of the world.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I appreciate the opportunity to speak on Bill C-54, an act to amend the Farm Products Marketing Agencies Act and other acts in consequence thereof.

Grain growers, poultry producers, dairy farmers are all fighting together. The government has moved away from the position it took on GATT originally but is also trying to bolster the position it claims to have now.

I want to concentrate on one industry and a letter dated February 12, 1992 on the impact of tariffication on Canadian chicken producers. What they argue could come about is really devastating. The Canadian Chicken Marketing Agency has analysed the impact of the Dunkel proposals on Canadian producers. The conclusion of the CCMA analysis is that within three years, 86 per cent of Canadian producers would be out of business and only 330 out of Canada's 2,411 producers would remain. Within two years production of chicken would have ceased in Atlantic Canada. It is unlikely that many processing plants would survive the first several years. Within six years the industry would have all but disappeared, only 39 producers would be left.

I and many Canadians are concerned, especially the 40,000 farmers and agriculture producers who were here last week, about Canada's food self-sufficiency if the government fails to protect our marketing boards and fails to strengthen or keep the provisions of article XI of the GATT.

They do not trust this government. It is obvious they do not trust this government to protect the needs of the Canadian people and the workers involved with producing our agricultural foods across Canada.

It is much broader than that. We must alert the Canadian people that it is much broader than that. Where I come from the people in our transportation industry, in the railway industry depend very heavily on the transportation of grain across Canada. If we start to lose those markets it will affect everyone, every Canadian. Every Canadian must stand up to protect the very efficient system we have at the present time.

There is another area of concern which we have not identified. If we start to get into the really competitive market in which things begin to concentrate in one area and we start to try to be efficient and produce on a large scale, if we have large-scale processing of agricultural goods, such as the poultry industry or the turkey industry, and they start to concentrate in one area our environment is going to be very heavily affected because we are going to have a concentration of these large groups of processing plants trying to be efficient. We have a very efficient area spread across various parts of Canada. It is important to identify the environmental aspects of what we may be looking at here.

These are the kinds of discussions that took place earlier with regard to free trade. It shows very clearly that when we were dealing with the Americans regarding the free trade agreement we should have been looking at each sector of our economy, and at how to trade and be self-sufficient in our own country. We have not done that. We are starting to feel the ramifications of a trade agreement that does not recognize the self-sufficiency of our own country. If this is to proceed we will allow the basic fundamental agricultural programs essential to self-sufficiency in Canada to go down the drain. I do not think the Canadian people are ready to accept that. Our critic for agriculture has worked extensively with this. He has brought delegations to our caucus and talked it over. We have discussed it with the turkey producers, the grain producers, the poultry producers and the egg marketing boards. The people who protested in front of this building simply do not trust the Mulroney government to protect the agricultural base in this country.

• (1200)

Unless we as the opposition on this side of the House and the people of Canada start to stand up and really put the pressure on this government to bring about the protection that is required, I think we will be faced with the very dim results of not being able to sustain our own agricultural base in our own country.

I do not think there is a country anywhere in the world that would allow its agricultural base and its very basic foods that average Canadian people accept every day to be delivered from another country.

I know I am not prepared as a member of Parliament. I get faxes coming from grain producers in my part of southeastern British Columbia and from the dairy and poultry industries. They are small industries but are very important to every part of our country. We must protect these boards. If we do not we are going find, as the chicken industry has indicated, that the industry will have all but disappeared within six years.

That is what we are faced with. If this government does not get away from its idea of trying to support tariffication, and at the same time telling the marketing boards and the people involved that it is there to fight for their rights, I do not think we are going to get the results we are hoping for.

I would urge all Canadians to get on the wire, contact this government and tell it that we are not going to accept anything but a strengthening of Article XI of the GATT.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, it is a pleasure to have the opportunity to speak today, following probably the biggest rally this nation has ever known last Friday on the lawn of Parliament Hill.

If you had the opportunity as I had over the weekend to go back and mingle with a few practising farmers who spend their time in the stable regularly, you would find there is great agonizing going on out there. There is real pain and real hurt in the dairy industry.

We speak of the dairy industry in particular, but it would equally apply of course to the poultry industry. Farmers can always be so practical in their examples of things that really hit home. I heard one poultry farmer say that when an American chicken arrives at the border to come into Canada, remember it has not been fed on Canadian grain. That is quite a message. They do not need any Canadian grain. They have enough grain in the

United States to feed the chickens. How are we supposed to have any money to buy the chickens?

I do not think most people realize that. They are not just talking about bringing a few articles across the border and putting a tariff on them. If they had been fed Canadian grain, that is one thing. But would you expect that American chicken to ever be fed on Canadian grain? You can see the ramifications that would have for the grain distributors, the grain dealers and everyone else down through the cycle. That is the kind of practical experience I have had in my association with these dairy farmers as they try to relate where their industry would now go with this new thinking.

We must remember too that we are still recognized as northern people. This city we are in right now has the coldest average climate I think of any capital in the world. We must not forget that. Are we going to throw our markets open to free market forces when that is one thing we have to contend with? We cannot do much about that but it has a great impact on the livelihood. Do we think we can become competitive by just throwing our basic food supplies open to market forces and going toe to toe with the Americans? If we take the example of the dairy industry, all you have to do is go down into North and South Carolina and a little bit farther south and look at the herds of dairy cattle they have there. They do not have barns, they have milking parlours. They are very, very sophisticated. They milk three times a day. The cow is just a machine they push feed through.

The farmer in Grenville County, a few miles away, may have an excellent herd of 60 or 70 cows and make a decent living. Perhaps he is able to pay for his tractor, make his payments at the bank, meet the guy who comes around from the Farm Credit Corporation and keep him happy. How can he compete with what you see going on down south in the Carolinas with those huge herds? Barns are not a great problem down there. They have some protection for their cattle, naturally, but most of the cattle stay outside. They can afford to do that because they do not have the inclement weather we have up here. Anyone who can describe how they can carry on an industry up here and compete with that I think should go out and talk to some farmers. They will explain it in a sensible way as they are so capable of doing.

I can remember those years before we had a managed marketing system. I can remember when you had 13 or 14 cows and you managed because you sold your milk to the cheese factory down the road and you had a regular pay cheque coming in. No farmer would admit that is where we should be today. They are entrepreneurs. They will move with the times. They are willing to go out and borrow money and expand their operations, and a lot of them did. They borrowed more because they were told this was the way to go. They borrowed from the banks and any other source they could get relief from, and now they find themselves in a big dilemma.

Some would accuse the farmer of always whining. That is not the real experience. Go out and talk to these people. They are going through a lot of agony right now. In most cases they are operating with borrowed money. They thought they were doing the right thing.

The farmers appreciated the changes. There is no question about that. The farmer is no different than any other businessman. In order for him to survive he realized he had to go out and acquire three, four or five former farms and he was willing to do that. When you expand your acreage like that a lot of other things have to happen. If you are going to have a viable and competitive operation, everything else along the line has to be expanded. They borrowed lots of money and bought bigger equipment, bigger tractors and advanced farm machinery. They were willing to do that, but with the uncertainty that is out there today they wonder if they should have bothered. They are probably thinking they should not have bothered.

Farmers like to think their contribution is recognized in this country, but then you see 30,000 to 40,000 assembled out here, leaving their farms, getting on buses all day and all night, spending two hours out here and the Prime Minister of this country does not even have the decency to show up. For the Prime Minister to not even make an appearance on the Hill hurt the farmers and it hurt them terribly. I can tell you farmers have long memories. Maybe while they are milking those cows or spending time in their barns they will have a little more time for this kind of practical remembrance. They will remember that, I can guarantee you, ladies and gentlemen. That will not be forgotten.

The farmers are not finished yet. This was just an initial response to their concern about their industry. Last Friday it was announced that further demonstrations are being planned. I hope that at some point the Prime Minister will come out of hiding and go and meet those people who are out there trying to make a contribution to our Canadian way of life. The big problem with the dairy industry prior to the milk marketing board was the great inconsistencies. The amount of product put out on the market was up and down. If you are going to go out and invest a lot of money in something, you cannot live with that kind of uncertainty. The marketing board was endeavouring to provide some kind of consistency. The banks would not lend you any money to start with if they could not have some assurance you were going to be able to pay it back. The way to pay it back is to guarantee there will be some consistency. The price of the product then was based on a formula and this changed in what we called the marketing system. They took into account the cost of the man's production, the cost of his seed, the cost of his fertilizer, and all the other factors that you would put into that formula. They saw there had to be a margin of profit, of course, and they arrived at a figure. How much is this man then entitled to put out on the market?

• (1210)

With that kind of thinking behind it, he could be assured that he was going to get a pay cheque. He knew roughly how much it was going to be, and he was going to be able to meet his commitments.

Farmers are just asking to have that system recognized. Could you imagine if the marketing boards were prevalent in the United States? George Bush is going out and promoting this movement away from marketing boards. The farmers in the States—and they were out here last Friday too in great numbers—would love to have the system we have here. But because of political reasons Mr. Bush cannot visualize giving them this system. It is an election year in the United States. Canadian dairy and poultry farmers are paying the price for a weak voice on the part of this Canadian industry down in the United States.

I think the Canadian farmers deserve a better hearing than that. I think the Prime Minister should at least stand up and apologize to Canadian farmers for not being present at the biggest rally we have ever witnessed. He should tell them when he is going to meet with Canadian farmers in this country, because they deserve better treatment than that, and they will remember.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I am pleased to participate in this debate on Bill C–54 and to have the opportunity to say a few words on the crisis facing our Canadian farmers, particularly those farmers who live in eastern Canada.

The debate today concerns the amendments to the Farm Products Marketing Agencies Act, in order to implement the enabling legislation for a check–off for imports into Canada. That is the immediate purpose of the legislation. But the legislation will become irrelevant to many in Canada if our agriculture industry is decimated. Certainly that is the feeling among many farmers, particularly those who operate under supply management, if the current proposals that are being debated at the GATT are allowed to go through and the strengthened article XI which the Canadian agricultural industry has been urging this government to defend and which the Liberal party implemented to its great credit some 20 years ago is allowed to go by the wayside.

I have farmers in my constituency. I have dairy farmers, poultry farmers, turkey farmers and mixed farmers in my constituency, and I can tell you they are very worried.

They are very worried that the value of their farms will plummet, their life savings will disappear, and they will find themselves forced to abandon their farms. We will find, in Atlantic Canada as well as in other parts of Canada, the lands which are now productively tilled, which not only enhance our food security but our environment, allowed to grow covered with weeds and deteriorate. As a consequence, in Atlantic Canada we will lose our farms and our farmers, that segment of the population which is not only of large economic value to Canada but of large social and cultural value and is part of our security as a country. The issue is bigger than simply the amendments to the Farm Products Marketing Agencies Act.

I want to say a few words on behalf of our supply managed farmers, particularly the ones in my constituency. I had an opportunity just a week ago to speak with a couple who have been farming in the region of Mabou in Inverness County. They are dairy farmers who purchased a farm some eight years ago. They are young, articulate spokespersons for the farm industry and honest, hard-working citizens of the community. They are making that dairy farm work. It is an excellent operation, very efficient. They have worked on that farm for the last 18 months without a holiday. They actually came to the rally last week. That was the first opportunity they had to leave the farm. They took the train to Ottawa to participate in the rally and show their concern on behalf of dairy farmers in Nova Scotia about the consequences if supply management is allowed to be negotiated away in the GATT negotiations.

They are very distrustful of this government. They do not believe this government's protestations that it supports supply management. They see double talk and duplicity in the words of the Minister of Agriculture, the Minister for International Trade and the Prime Minister when they talk about supporting supply management. They see that the government's words are hollow and that it is unwilling to stand up for the farmers and other Canadians whose interests are being compromised in international bodies.

We have a government that is unwilling to go toe to toe with other governments, particularly the Government of the United States, and defend our interests. It is necessary that the government be willing to take measures that will hurt the Government of the United States and hurt the interests of the United States to demonstrate that we defend our own interests. That is what this government has been unwilling to do for a whole series of interests, not only the free trade agreement and the interests that have been attacked since the free trade agreement was put in place.

It has also shown how spineless it is with respect to defending Canadian sovereignty beyond the 200-mile limit in the nose and tail of the Grand Banks where we have watched the plundering of fish stocks by the Spanish and the Portuguese fleets for five years. This government continues to say: "Well, we are negotiating. We are exercising diplomacy. We are having a public relations campaign". All the while our fish stocks are being plundered.

Mr. McCreath: What are you suggesting?

Mr. LeBlanc (Cape Breton Highlands—Canso): We are very clear on the issue.

Mr. McCreath: Send out the gun boats. Is that your position?

Mr. LeBlanc (Cape Breton Highlands—Canso): Unilateral declaration of that area as a management zone for Canadians.

An hon. member: What is the basis for that?

• (1220)

Mr. LeBlanc (Cape Breton Highlands—Canso): There is basis in international law. I am sure that is what we will have to do eventually. However, the problem is that we will be too late. There will be no fish left.

In any case, I am deviating from the point at hand which is the agricultural sector. What is really affecting farmers at the moment is what is taking place in those GATT negotiations.

The member for South Shore knows full well that if article XI is allowed to disappear, if we replace the supply management system the Liberal Party put in place with a system of tariffication all the farmers in his part of Nova Scotia will be destroyed in a very short while.

The farms will disappear, and I am sure he will bear the consequences of that electorally. Worse than that, farmers will see the values they have built up over generations decimated at the hands of international negotiations and a government unwilling to defend its interests when push comes to shove.

Push has come to shove. Push is coming to shove at the GATT negotiations with the Americans, and with the Spanish and the Portuguese fleets off the 200-mile limit in the nose and tail of the Grand Banks. It is time that this government defend our interests on the world stage, which is what it has been consistently unwilling to do.

We are finding our sovereignty eroded in so many vital areas that touch our economic interest. That is the point of this debate. That is what is at issue here, far beyond the immediate question of this legislation which on the face of it is necessary legislation because it at least

provides the enabling legislation to allow this government to take some steps in defence of our agricultural sector.

It will be too little too late if we lose article XI at the GATT.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I am pleased to be able to speak to this bill today. This bill causes me some concern and I know it causes concern to the farming community across this country.

Today there is a tremendous farm crisis in Canada. It is not only in western Canada, where I come from, but right across this nation.

Certainly the one area of farming that has been truly successful in the past few years has been marketing boards and those areas under supply management. They have taken farm products, dairy, milk or whatever, and structured an economy around them so producers in that area know they will have a solid income and that they will be able to survive and progress as a farm family.

This whole area of supply management is now coming under review. It is in question and in jeopardy of being lost forever. I really wish that the government, instead of focusing on this particular bill today which is not going to help marketing boards in the end, would focus its attention on other areas.

This bill will provide a check-off or an opportunity to pick farmers' pockets in a fashion that is completely unnecessary.

This government should be focusing some attention on the area of farm finance and farm debt. The areas of farming really in desperate straits are those farmers who have incurred huge debts, are paying huge interest rates, have a shortfall of income and are struggling.

This is the government that, back in 1989, introduced its *Growing Together* paper with a huge fanfare. As a result of that a number of task forces were set up to look at a whole host of areas including farm debt and farm finance.

There can be nothing more important than managing farm finances. These days you borrow a lot of money. It is nothing to have a $200,000 or $250,000 debt. That is not unusual. If a farmer borrows sums of money of that magnitude at 10 or 12 per cent, which happened in the 1970s, and suddenly a few years later is faced with 18, 20, 21 and 22 per cent and higher interest rates, it is very hard to manage that operation. Many farmers have found themselves with problems not because they mismanaged their farms but because of high interest rates and low prices. The complement to farm finance is farm income.

This government has failed to bring in any substantial legislation to deal with farm finances. It has thrown out money here and there in a haphazard fashion. In particular the grain sector of agriculture has really suffered.

The government is providing lip service to supporting supply management. In actual fact I believe—and most farmers believe it as well—the government is simply going to say: "Look, we did our best. We have tried for you but we have to let supply management go". There will go the prize. The most successful aspect of agriculture under supply management will be a thing of the past. It will disappear.

Every region of the country in rural areas depends on a particular source of the economy, a primary source of the economy. In areas where supply management and farming are factors it is a tragedy to think of losing those farms. If we look at areas of Quebec and Ontario where supply management is very prominent, there are literally tens of thousands, hundreds of thousands of people who will be affected. In rural areas of Quebec there are regions that depend on supply management. When these farmers disappear that whole region—and many regions are suffering economically now—is going to be extremely depressed.

This government, although it undoubtedly has to be aware of it and I know there are many members from Quebec who very concerned about it, seems to be unwilling. In fact the government seems to have been steered in that general direction over the last number of years to the point of saying: "I am sorry, we have done what we could".

Unless there is a commitment to supply management, unless that commitment is strong and is going to maintain itself, there is going to be devastation in many regions of this country. To see the supply managed sector disappear is a heart break for all farmers.

The other aspect of this bill and this attitude of the government toward supply management and agriculture in general has been to split the farm community. The farm community is a diverse lot, to begin with. These are independent people who have pride in their farm, pride in their land, and are individuals. That is to be applauded. When we talk to various agricultural groups we find many different positions depending on which group we speak with. Western Canadian wheat growers certainly have a different position from that of National Farmers Union.

What is more fundamental is that a split is now being perpetrated, I would suggest, by this government between the supply managed sector and the grain sector. We had this GATT proposal sitting in front of us which tells the grain producers that there will be lower subsidies in European and American grain. Hopefully this will mean a somewhat higher price in grain. On the other hand it is saying we have to do that at the expense of the supply manage sector. A grain producer on the prairies who is in debt up to his eyeballs and is looking for anything to survive is in some ways faced with an option he cannot refuse. The effect has been to split the two groups, and that is a tragedy because farm families are all in the same boat. They simply want to have their land and produce their product whatever it might be, whether it is grain or cattle or poultry or dairy. They want to have an income and they simply want to live their lives. These people contribute a tremendous amount to the economy.

• (1230)

The sad part is that in rural regions across this country, whether we are talking about farming or looking at fishing communities in Atlantic Canada, there is a tremendous amount of financial and emotional stress. Until the government, until we as a Parliament say to the people of this country that we think rural Canada is important and that we are going to pay special attention to rural Canada, this problem is going to continue. Unfortunately over the last 40 years we have had successive governments with an urbanization mentality and much of the legislation passed has been passed without the consideration of rural Canada.

I find it very frustrating and sad that we seem to go on *ad nauseam* ignoring rural Canada. We pay lip service to it. We talk in glowing terms of living on the farm, the rural way of life and so on. Yet we do very little about it.

Instead of debating bills such as this one which is simply going to hurt supply management, or is certainly not going to help it, we should be focusing our attention on areas in rural Canada that will help rural Canadians to maintain a viable rural infrastructure for all of rural Canada and focusing a commitment on those farm families and on those rural communities. It is an issue that is long overdue. It needs attention. It is about time that we in this Parliament started paying attention to some of the needs of rural Canada because if we do not do it and if we do not do it soon there will be nothing left to say.

[*Translation*]

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The question is on the motion of the Minister of Agriculture.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

The Acting Speaker (Mr. DeBlois): I declare the motion carried, on division.

Motion agreed to, and bill read the second time and referred to the Standing Committee on Agriculture.

* * *

[*English*]

CANADA–FINLAND INCOME TAX CONVENTION ACT, 1991

MEASURE TO ENACT

The House proceeded to the consideration of Bill S–2, an act to implement conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and the prevention of fiscal evasion and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes, as reported (without amendment) from Legislative Committee F.

Hon. Gerald S. Merrithew (for the Minister of State for Finance and Privatization) moved that the bill be concurred in.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. DeBlois): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Merrithew (for the Minister of State for Finance and Privatization) moved that the bill be read the third time and passed.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I would like to put a few comments about the bill on the record.

This bill seeks to implement tax conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States, and a convention between Canada and the United Mexican States for the exchange of tax related information.

Tax treaties promote international trade and investment. They provide stability for investors by offering certainty regarding the method and rates of taxation of income flowing between countries. Tax treaties also seek to alleviate double taxation of income from international transactions.

The three tax treaties under review follow the general pattern of treaties previously approved by Parliament. Indeed Canada has over 50 some treaties in existence at the present time all based on an OECD model. Important administrative benefits are provided for taxpayers. The requirement to pay tax on business profits in the country where the profits originated is eliminated unless the taxpayers have a permanent establishment in that country.

As well, treaties provide a mechanism to settle various problems encountered by taxpayers in the interpretation and application of treaties. One of the most important aspects of tax treaties is the alleviation of double taxation where the same income is taxed in the hands of the same person by two different countries. Tax treaties eliminate double taxation in these situations by either providing one of the states with the exclusive right to tax or by ensuring that taxes paid in one state can be used to offset taxes payable in the other state.

I would now like to indicate briefly the main elements of the three tax treaties currently before the House. I will deal with the fourth item, the exchange of information, later on in my remarks. These treaties provide generally that dividends may be taxed in the source country at a maximum rate of 15 per cent. A 10 per cent rate will apply to dividends paid to a company that holds an equity interest of at least 10 per cent, except that it is 25 per cent in the case of Mexico, of the voting power in the company paying the dividends.

In the case of interest paid by a resident of one country to a resident of the other country, a general rate of 10 per cent, except that it is 15 in the case of Mexico, will apply. There are however a number of exceptions which I discussed in my remarks during second reading.

With respect to royalties the conventions provide for a general rate of 10 per cent, 15 per cent in the case of Mexico, in the source country. Copyright royalties from cultural or artistic works are generally exempt from withholding tax under the three treaties if the recipient pays tax on the royalties.

Some of the other matters dealt with in these tax treaties include capital gains, discriminatory treatment of foreign nationals and pensions. The treaty provisions dealing with capital gains reflect the standard Canadian position enabling the source country to tax gains arising on the sale of real property, business assets and shares in real estate companies. Under the treaties discrimination on the basis of nationality is prohibited, thereby ensuring nationals of a country equal treatment with nationals of the other country in the same circumstances. However, this does not prevent a country from providing fiscal incentives, for example the small business deduction, to resident taxpayers.

I would also like to point out that Canada has preserved its right to tax pensions and annuities paid to residents of the three countries involved in these treaties.

The final item I want to discuss is the exchange of information convention with Mexico. It was signed before the signature of the comprehensive double taxation convention I have just described and complements the comprehensive treaty. The exchange of information

convention will assist the revenue authorities in combating tax evasion.

I might say that the convention with Mexico is the result of 15 years of negotiations. The Mexicans had declined to have tax treaties before that and Canada is one of the first countries to achieve such a thing. I should also say for the record that notwithstanding the fact that many of my hon. colleagues from the NDP availed themselves of the second reading to get up and have a debate on Canada–U.S.–Mexico or North American trade, which may well be fair ball if that is their perspective.

• (1240)

I want to point out for the benefit of this House that this tax treaty with Mexico has absolutely nothing to do with trade negotiations between Canada, Mexico and the United States or Canada and any other country. This is a straightforward procedure, one that is common between countries and one in which Canada already has 50 treaties with other countries of the world.

Let me conclude by saying that these tax conventions provide equitable solutions to the various problems of double taxation existing between Canada and these countries. The three countries which have signed these agreements all hope to implement the conventions as soon as possible. Consequently I commend this bill to the most favourable consideration of this House.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I had the privilege like the hon. member of rising to speak at second reading of this bill. I rose on behalf of my colleague, the learned member for Windsor West. He was unable to be present at the time of second reading debate and asked me to assist him by making a brief submission to the House in respect of this bill. I am pleased to do so again at third reading.

As I indicated at the time of second reading, we were concerned that the bill should go before a committee so that a committee could review in detail the negotiated tax treaties between the three countries involved. I believe that the committee has now completed that work, that a report has been submitted to the House, and that it has recommended the bill without amendment. Apparently the committee was satisfied that the bill complied in all respects with the usual form of these kinds of treaties and accordingly recommended them to the House for consideration.

Generally tax treaties between Canada and other countries are beneficial and avoid the incidence of double taxation on income earned by Canadians who reside in those countries or who carry on business there. In that respect we think this is a very positive step.

I want to say that the parliamentary secretary in his remarks made comments about the Mexican free trade deal and the fact that it had been dragged into the debate by the New Democratic Party during the debate at second reading. Frankly I think it was a move by the NDP to kill time. There is not really much that is controversial in this particular bill. I agree the tax treaty with Mexico has nothing to do with any free trade agreement that the government might negotiate with that country.

I suspect members of the New Democratic Party were reflecting a view which we share, that this government is not a good negotiator. Any of the negotiations it carries on are liable to result in a disaster for Canada. We have had lots of evidence of that. I suspect that is why they have raised the issue on this particular bill. I must say I share their concern fully. We have expressed the concern on many occasions. I expressed it again earlier this morning in a speech on another bill , and I am not going to repeat my remarks which I know Your Honour felt were irrelevant to that particular bill.

Having said all that, I want to say that we are delighted the committee has reviewed this bill. I am not an expert in this field and I defer to others who are more knowledgeable about the technicalities of tax treaties, as very complicated as they are.

We are prepared to allow the bill to pass at this stage. I am pleased to give our support to it in light of all the things that have transpired to date.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, these days with all the news of taxation concerns, finances, and all the bad news that is coming out, it is nice once in a while to have some good news. I would like to start my remarks by complimenting a particular individual who resides in the city of Moose Jaw.

Every year we have the Saskatchewan Telemiracle. Local radio station CHAB does its own 36-hour Telemiracle. Last week one of the announcers, Mike Hardy, did a 36-hour telethon and raised over $7,200 for the people of Saskatchewan. As Mike Hardy would say, that is good news.

With respect to some bad news, I like most Canadians have some real concerns about what this government is doing with respect to taxation and budgetary matters. There is some real concern with respect to the directions this government has taken over the last number of years in its financial affairs. Certainly as a party, the New Democrats have gone on record, and very forcefully, that we are opposed to legislation such as the goods and services tax which we see as an unfair and regressive tax and have called for its elimination.

Often we get the comment that it is very fine for the New Democrats to call for the elimination of the GST, but what would you do in the alternative? Where are you going to raise the funds and what are you going to do?

We have put forth a lot of alternatives and certainly one of our economic critics from Winnipeg has done an awful lot of work leading the party in developing alternatives. The member for Essex—Windsor has also done similar work. Over the last few years, we have developed a real economic alternative. It had originally been suggested that the GST would cause a 1.25 per cent increase in consumer prices. In fact consumer prices have risen by over 2.6 per cent. Retail sales have declined by 5.3 per cent in volume. Exports have declined by 2.9 per cent and imports have increased by 5 per cent.

There has been an increase in the number of people cross-border shopping and I suggest it is for legitimate reasons in a sense that there are a lot of economic factors.

Mr. McCreath: I rise on a point of order, Mr. Speaker. With the greatest respect, while I find my hon. friend's remarks most interesting, telethons in his riding have nothing to do with the bill before the House. I would suggest if the NDP had been seriously interested, at least one of them might have shown up at at least one of the meetings of the legislative committee that considered this bill. None of them did.

Mr. Laporte: I do not think the New Democratic Party has to apologize to the hon. member or anyone else for the approach we have taken in this country with taxation. This party has been very effective and has put forth all kinds of alternatives and suggestions as to how this government can improve the financial state of most Canadians in this country.

There are provinces in this country that have New Democratic governments in place. Saskatchewan's government is being responsible and putting forth budgetary restraints contrary to the last government which was a Tory government. Supposedly the Tories have a history of being financial experts and economic managers but they have done a tremendous job of creating problems in Saskatchewan and are on the way to affecting this entire country.

The hon. member's comments are totally unjustified and I think made in a purely partisan manner which does not benefit this House or anybody in this country. I am very disappointed with those comments.

I just want to point out, with respect to the goods and services tax and other regressive taxes in this country, the New Democrats have put forth many, many alternatives. We have called for changes in corporate tax rates which are essential if the average Canadian is going to survive in this country. According to the Public Accounts of Canada, budgetary revenue from corporations has decreased from 20.1 per cent in the early 1960s to 16 per cent in the 1970s. It is down to about 9 per cent today.

If we are going to have fair taxation in this country it is important, in developing legislation, that we focus on fair taxation for corporations. It is something we have not done, it is something we have been moving away from. I would suggest that an initial move should be to make changes to corporate tax rates.

• (1250)

We would also suggest that there should be a change to progressive tax rates in this country. Changes to the Income Tax Act could result in a situation in which there is no difference between the rate paid by those who earn $50,000 a year and those who earn $250,000 a year. The middle class is being taxed the same as the upper class, and that is not fair, that is not just. Our income tax system must be made more progressive, and those at the

top of the income scale must be asked to contribute more than they are now. That is only fair.

The Reform Party recently talked about a flat tax, which is a most preposterous notion. Certainly the Reform Party focuses on simplicity and that is a proposition that does not bear scrutiny. With a flat tax, under the proposal they have made, the only people to pay higher taxes would be the poor and those with low incomes. That is certainly going in the opposite direction of fair and proper taxation.

The government argues that higher income taxes drive people to move to the U.S. This may be true of a few people for whom Canada is nothing more than a place to make money. However, for the majority of Canadians, professional or otherwise, Canada will continue to be the country of their choice, particularly if their taxes are used to build a society that benefits all Canadians and not just a few.

Those are alternatives. We need to implement a green tax in this country. The environment in this country and world-wide is in dire straits. As a result, such a direction is extremely important if this country is to progress and develop.

The approach the New Democrats have taken in this country toward taxation has been both reasoned and logical, and it is certainly an approach that will benefit all people.

I want to make one more comment relating to regional taxation. There has been a lack of interest or a lack of direction in taxation in this country with respect to the regions of this country. If we are to maintain regional development we must have a new approach to taxation.

The best example is Atlantic Canada. Billions and billions and billions of dollars have been pumped into that area. Are they any less dependent? No, they are not. In fact they are more dependent. About 15 years ago I talked to one official who got quite discouraged with Ottawa politics. He said he had a deputy minister responsible for DREE who indicated that he wished we could simply take all the maritimes and turn it into a park so we could all go visit there once a year. That is very well for someone outside that region of the country.

The Acting Speaker (Mr. DeBlois): Order, please. I remind the hon. member that debate is on Bill S-2. I appreciate the words of the hon. member were relevant.

Mr. Laporte: Mr. Speaker, I appreciate the opportunity to make these remarks today. I think these are very important issues for all Canadians and should be raised on a constant and continuing basis.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I will try to direct my comments to the bill. The problem we have here is that we would like to see agreements reached under which Canadians would receive fair taxation. This bill identifies Finland and Mexico. The problem I and my party have, especially our trade critic, is that the free trade agreement and the negotiations taking place with Mexico have not even been presented before this House. Yet, here we have a bill being presented with regard to taxation with Mexico. It could have serious ramifications for the trade talks going on with the Mexican government.

That bothers me a great deal. Our member for Esquimalt—Juan de Fuca on numerous occasions has urged this government to bring forward the proposals it is discussing and trying to bring about in the discussions with Mexico. Yet, we have a bill being introduced by the government to reach a tax agreement with Mexico. Is it not fair ball that we should know about the discussions taking place with regard to the free trade discussions with Mexico? Should we not know about the discussions taking place if we are going to decide whether this bill should be considered appropriate for those discussions? I think we should know. I think the Liberals would agree with us.

We have urged this government to present the arguments and the proposals. Evidently the Mexicans have had the privilege of being able to debate and discuss the free trade agreement. The Americans have had open discussions. Yet, we as parliamentarians have not even had the courtesy of having the proposals brought forward to the House. Then the government has the gall to bring in a bill concerning taxation with Mexico and Finland.

I am not so sure, but we may agree that legislation is required. However, should we not know the ground rules we are playing with? Should we not know about the discussions taking place between this government, on behalf of Canada, and the Mexicans? I think we are entitled to that. If this government had a sense of fair play our members of Parliament could hear the discussions and examine the proposals it is trying to present to the Mexicans concerning free trade with Mexico, then

we would be in a much better position to understand the rationale of this piece of legislation before us.

This government cannot be trusted. The Canadian people do not trust this government. The New Democratic Party certainly does not trust this government. The Canadian people have very clearly shown their distrust in the polls, in which the Conservatives are at somewhere around 11 per cent as a result of the policies it is bringing in.

To bring a piece of legislation before this House with regard to taxation, especially with Mexico, at a time when we are in the middle of trying to bring some rationale to what this government is doing—and goodness' knows we have enough problems with the free trade agreement and its effects in Canada.

The government wants to introduce a bill that will set up a taxation agreement with Mexico and we do not even know what negotiations are taking place with the Mexican government concerning free trade. I do not think it does either. It is incompetent. It is showing its incompetence by bringing in a piece of legislation such as this before we even know the terms of the agreement and what we are going to be discussing with regard to free trade.

Mr. McCreath: Have you read the bill?

Mr. Parker: I want to say that they tie together. If anyone tries to convince me that the taxation and free trade agreements do not tie together they are sadly mistaken because they cannot convince me of that and they cannot convince our party of that.

We have asked this government to put the proposals before Parliament so that we can see what they are.

An hon. member: Oh, oh.

Mr. Parker: I see that the member is worried about the time. I am not a bit worried about the time. I have 20 minutes to speak on this bill and I am prepared to speak for 20 minutes.

An hon. member: On the bill?

Mr. Parker: Yes, I am speaking on the bill. I am speaking on a taxation policy this government is trying to arrange with Finland and Mexico through this bill.

It ties directly to the free trade agreement with Mexico. We have not even seen the documentation or the proposals this government has put forward with regard to free trade with Mexico. It has a responsibility to bring those proposals before us so that we can see and scrutinize those documents.

Until the government does that, it cannot expect us, as parliamentarians, to be able to address the provisions of this bill. How could it?

An hon. member: That has nothing to do with it.

Mr. Parker: It does have something to do with it.

The Liberals say that it has nothing to do with this. They might be prepared to accept this kind of legislation before they know what kind of trade is going to take place with Mexico but we have a different view of this question.

It is important that we fully understand what is going on between these countries before we allow the government to introduce a piece of legislation of which we do not know the background.

The Acting Speaker (Mr. DeBlois): It being one o'clock p.m. I do now leave the chair until two o'clock p.m.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

TRADE

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, despite the doom and gloom constantly repeated, repeated and repeated by the parties opposite, Canada's trade numbers with the United States continue to prove our policies are right and those of the opposition are wrong.

Buried in a 20-page government document of merchant trade statistics released by the U.S. commerce department yesterday is undisputed evidence of Canada's strong performance as a trading nation.

Sales of Canadian goods to the U.S., despite our so-called high dollar, remain steady at $91.1 billion. Yes, the trade surplus between the two countries was tilted in our favour to the tune of $6 billion.

Our policies are working and I repeat, repeat, repeat that we are going to hold the course because it is the right thing to do.

* * *

OLYMPIC GAMES

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, the XVI Winter Olympics are over and Canadians can be proud of the way our athletes represented Canada in Albertville.

Canada's showing at the games equalled our previous record of seven medals which was set at the 1932 Olympics in Lake Placid. Canadian athletes also obtained gold, silver and bronze medals in three demonstration sports.

In terms of individual performance, 21 of our athletes placed in the top eight of their sport, while Canada finished eighth out of 64 countries competing at the Albertville games.

The dedication and hard work of all our athletes have achieved results which the Canadian amateur sport community can build on for 1994, when our athletes will again take to the hills and arenas at Lillehammer, Norway for the XVII Winter Olympics.

To all our Olympians who represented their country in the true spirit of international sportsmanship and friendship, our congratulations on a job well done.

* * *

[*Translation*]

MEMBERS' EXPENSES

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, at its meeting on February 12, 1992, the Board of Internal Economy decided it would be appropriate for members of the House of Commons to take steps in line with the government's initiative—in other words, to apply the spending freeze for February and March to their own budgets.

The House of Commons expects to reduce spending by about $2.2 million. The Board of Internal Economy should also consider measures similar to what I have been advocating for several months, such as restricting the number of members, senators and officials in parliamentary delegations abroad and asking them to file individual accounts of their trips, as I suggested at the February 4 meeting of the Standing Committee on Public Accounts.

* * *

[*English*]

YOUTH CRIME

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I would like to bring to the attention of the House of Commons and especially to the Minister of Justice a number of community forums on youth crime and gang activity which were held recently in the riding I represent.

One was at the Sir Frederick Banting Junior Secondary School in Coquitlam, British Columbia. Parents in the community are concerned with the increase in youth crime and gang violence in Canada, with many victims and witnesses too intimidated to come forward and report crimes.

They demand that the Minister of Justice address the rise in youth crime immediately. They demand action on youth gangs before Canada starts to have the same kind of problems that are manifest in the United States.

They want protection for victims and witnesses of youth gang crimes. They want public education on youth crime and gang activity in Canadian communities. They want stiffer penalties for young offenders within the juvenile system. They want even better control of guns. Finally, they want a further review of the Young Offenders Act with the goal to having good resources to catch juveniles when they are juveniles.

These are good suggestions, Mr. Speaker. I hope the Minister of Justice is listening.

* * *

B.C. ECONOMY

Mr. Stan Wilbee (Delta): Mr. Speaker, although these are difficult times for all Canadians, the recent fiscal news in British Columbia continues to improve. The Investment Dealers Association of Canada said that B.C. experienced one-half of the gross domestic product decline that the rest of Canada experienced in 1991 and applauded British Columbia's 1.2 per cent increase in employment for 1991.

It predicts a 3 per cent increase in the British Columbia gross domestic product for 1992 and that B.C. will show the strongest recovery in Canada for the next decade.

It credited the promising outlook to the easier access to U.S. markets due to the free trade agreement, the business sector's improved productivity, the diversification of export markets in the Pacific Rim and also the entrepreneurial drive of new immigrants.

It is not a coincidence that all of these factors are fiscal goals and nation-wide objectives which this government has worked diligently to attain.

Today, on budget day, the British Columbia economy waits in anticipation for continued positive fiscal direction from this government.

* * *

[*Translation*]

ROYAL COMMISSION ON NEW REPRODUCTION TECHNOLOGIES

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, we learned that the Royal Commission on New Reproductive Technologies has given two research contracts to Burson-Marsteller, a public relations firm that works for the pharmaceutical industry in particular.

Not only is this a public relations and not a research firm but it has several drug companies among its clients. The first contract for $21,000 is to identify the issues to be dealt with in the second contract for $45,000,. One purpose of this research is to counter criticism of drug companies' involvement in developing reproductive technologies.

This Royal Commission on New Reproductive Technologies has serious problems and it is high time to look into them.

* * *

[*English*]

STATUS OF WOMEN

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, this government claims to fight on behalf of women's equality. If that is the case, I want today to throw out a challenge to them.

There are 24 judges in the general division of the Manitoba Court of Queen's Bench. Only one of those 24 is a woman. That is a disgrace. It is also very embarrassing. Worse still, two vacancies which existed last year were filled by men.

The government has an opportunity to make up for its mistakes. Currently there is one vacancy in the court and four more vacancies are expected over the next year. Here is the government's chance to stand up for women's equality. There are several outstanding women practising law in Manitoba, some of them are leaders in the women's movement. They would make excellent judges and they would also bring a much-needed woman's perspective to the judicial process.

I urge the government to do the right thing. Rest assured all Manitobans, especially women, will be watching.

* * *

LIBRARIES

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, in the course of the hearings held by the Standing Committee on Communications and Culture last fall, we were made sharply aware by Canadian writers and publishers of the fundamental importance of the printed word, both in expressing the cultural diversity of our country and in developing a common sense of citizenship within it.

Never has the power of words been so crucial to the future of Canada and never has the freedom to read them been more valuable to us as citizens.

I share the view of the Canadian Library Association that it is the responsibility of libraries throughout Canada to guarantee and facilitate access to all expressions of knowledge and intellectual activity, including those which some elements of society may consider to be unconventional, unpopular or unacceptable.

The libraries of this country, including our own Library of Parliament, have a special obligation to help guarantee the right of free thought and expression through the presentation of the written word. When reading materials are suppressed, democratic freedom comes under attack. Once started, such suppression quickly spreads to all forms of communication.

The freedom to read is basic to democracy. This special week reminds us to cherish and preserve it.

* * *

THE DISABLED

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, there was good news for disabled Canadians recently from the Canadian Human Rights Commission. A commission tribunal has ruled that Elections Canada has the responsibility to improve access for disabled voters at polling stations.

I am sure all members of this House would agree that the right to vote is one of the most important rights in a democratic society. There are many Canadians who cannot exercise that right without proper access to a polling station.

• (1410)

This a legal precedent of considerable importance, a precedent that has far-reaching implications regarding access. Canadians with disabilities are waiting for the government to confirm that it accepts and will respect this important ruling.

* * *

MR. DOUG PETERS

Mr. Pat Sobeski (Cambridge): Mr. Speaker, during my three years on the finance committee, it has become fashionable within the Canadian business community to target the Bank of Canada.

One particular economist has had a long litany of complaints about the current monetary policies. I have always believed that policies should be assessed in light of what has happened. What have been the results? Today inflation stands at 1.6 per cent, interest rates are at a 20-year low, consumer confidence is but two and one-half hours away. Our anti-inflation policy met the test.

Economists who believe that inflation is relatively harmless should go back to school. High inflation causes high unemployment and recession. If it is true we learn from our mistakes, then Doug Peters should turn down a Liberal desire to get into politics because based on his latest miscalculations, he could become the best economist ever.

S. O. 31

TOBACCO INDUSTRY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the former MP for Broadview—Greenwood pioneered non-smoking legislation to promote health. Now New Democrats welcome the government's adoption of our proposal for an export tax on cigarettes as a measure that is pro-health, pro-small business and anti-smuggling. However, tobacco companies have reacted with threats.

First, Imperial Tobacco threatened to move cigarette production from Canada. Now, RJR-Macdonald's says it will not purchase Canadian tobacco from the 1992 crop because of the export tax. This is simply economic blackmail, using Canadian farmers as pawns. Part of the government's response must be more assistance for Canadian farmers to diversify to crops other than tobacco.

We must say yes to the health of Canadians and no to those who use blackmail to try to change public policy.

* * *

MR. DOUG PETERS

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I rise today to question the motives of media critics of the financial policy of the government. I would think a prime example of this concern is Mr. Doug Peters of the Toronto-Dominion Bank. As the chief economist for the bank, I would think he plays an integral part in the direction of bank policy.

Here is the concern which I have. Is Mr. Peters' philosophy of an economic policy toward higher inflation meant to benefit Canadians or is it so that he may look good in front of the eyes of his employers?

* * *

UNEMPLOYMENT INSURANCE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, Canadians applying for unemployment insurance often wait up to 12 weeks before receiving a cheque. To carry them over, many apply for welfare assistance. In the regional municipality of Hamilton—Wentworth, welfare payments made to individuals waiting for UI exceeds $10 million a year. When the UI cheque finally arrives, it covers the period they were on welfare.

The regional municipality of Hamilton—Wentworth has asked that this overlap of welfare be reassigned to the region from the federal government. Cabinet members from my region, including the minister from Lincoln, told the region that they would press their cabinet colleagues to get the processing time for UI cheques down to just a couple of weeks. The member for Lincoln told the region she would report back to them on her progress.

There has been no progress. It has been months and overlap payments persist. Hamilton—Wentworth is asking the federal government to use the region, Hamilton, as a pilot project for reassigning retro UI payments to them. The plan will save the region and the federal government millions of dollars a year.

I invite other municipalities to write the minister of unemployment.

* * *

SMALL BUSINESS

Hon. Alan Redway (Don Valley East): Mr. Speaker, prior to February 1990, small businesses had no problem getting a bank loan. If they needed money, the bank said "how much".

However, between February 1990 and the beginning of 1991, when the Bank of Canada was severely restricting credit, the chartered banks did so as well. It hurt. In many cases, it resulted in otherwise unnecessary bankruptcies and unemployment, but the banks were being squeezed by the Bank of Canada. What else could they do?

Since the beginning of 1991, the Bank of Canada and the chartered banks have been steadily lowering their interest rates, but the banks still have the credit squeeze on, no loans for inventory, no lines of credit. It is asset based secured loans only. Unfortunately the policies of our lender of last resort, the Federal Business Development Bank, are no different from those of the chartered banks. If we are ever going to get the economy going again, and the banks will not help, then the FBDB must lighten up its lending policies.

PARLIAMENT BUILDINGS

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, just over 76 years ago a fire broke out on Parliament Hill in which seven people lost their lives. This morning my offices in Centre Block were virtually destroyed by fire and, like the tragic fire of 1916, there is no suspicion of incendiarism. It does bring to immediate concern the most significant symbolic infrastructure of our country, our Parliament Buildings.

It is known that renovations valued at $226 million are required to safeguard further deterioration of these buildings. I cite from a Public Works report a host of deficiencies present in the parliamentary precinct: removal of asbestos, dangerous masonry, inefficient elevators, inadequate and outdated electrical installations, obsolete and inefficient heating and ventilating systems. These are required to address these health and safety situations. Perhaps the government should revisit its decision to decrease building maintenance by 30 per cent over the last six years.

As the now illegible words read on the west face of the Peace Tower: "Where there is no vision the people perish".

* * *

SENIOR CITIZENS

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, at the beginning of this year, Canada's senior citizens received a measly 75-cent increase in old age security.

The government is ignoring the reality of Canada's senior citizens. There are 80 per cent of single women over the age of 65 who live in poverty; 50 per cent of seniors have incomes so low they qualify for the Guaranteed Income Supplement.

Ever since the government's first budget in 1985, it has been attacking the programs seniors depend on. It tried to deindex pensions and then it started the clawback. Now the government has given the seniors another slap on the fact with a 75-cent increase.

The last time seniors' pensions were increased above the rate of inflation was in 1984 in the last Liberal government budget. The Liberal Party has a proven record on seniors' issues and we will continue our good work after the next election.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Strong evidence based upon the Convention of the Law of the Sea suggests that Canada has the right to go beyond the 200-mile limit to prevent the depletion of cod fishing stocks in the Atlantic. Yet all we have is the fishing minister standing by, winking and nodding, while individual fishermen put their lives at risk trying to stop foreign overfishing. Is this not a hypocritical and negligent response?

An hon. member: It is.

Mr. Axworthy (Winnipeg South Centre): Why has the minister refused to exercise Canada's right to extend its environmental control of fishing stocks to the entire Grand Banks?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we recognize the significance of the Law of the Sea. There have been some considerable difficulties as it has been developed. It provides for a comprehensive regime, regulating the world's oceans, but it is not going to be effective if it is not accepted by a large number of member nations.

There are some obstacles to its acceptance. Canada is working very hard to ensure that the provisions, particularly concerning marine resources, are put into place. We are trying to do that unilaterally as well as working to make sure the provisions go into the Law of the Sea.

It is only one of the efforts we are making. We are also putting this forward as a very important priority at UNCED in June, but it does depend on multilateral co-operation.

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, from that answer, it is clear that this government has no plan, no strategy, no political will.

I have a two-part question for the minister: Will she sign the Law of the Sea Convention and affirm Canada's right to protect our fishing banks and, secondly, will the Prime Minister and the Secretary of State for External Affairs visit the major countries to obtain a firm commitment for a new marine conservation regime?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, results are what counts, not the efforts made or signatures collected, but results and of course political will also. We have that political will.

Yes, I discussed the situation related to the major fisheries problem with all the leaders and all foreign affairs ministers of Europe and of other countries as well.

• (1420)

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, let us see if we can get the minister to try another response.

In 1990 the U.S. Congress enacted a law to eliminate drift-net fishing off its Pacific coast by imposing selective but tough economic sanctions against Mexico.

I want to ask the minister this: Is this not an example of a country exercising its right to protect the environment? Will the government, in its meeting this week with the European ambassadors, clearly indicate that Canada will take similar action in order to give true meaning to its support for sustainable marine environment off the eastern coast of Canada?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I am certainly delighted to hear the hon. member make a favourable reference to the United States. It is the first time I have ever heard him do so.

Let me say this: We have made a number of representations. We will continue to do that. We have not only a strategy, but we have a very effective plan of action that we are putting into place regarding EC ambassadors and regarding trips to Europe by our ambassador, by the Minister of Fisheries and potentially by myself. We have had discussions with the President of the European Community. These are the efforts that are ultimately going to succeed, not some hysterical reaction on the part of the hon. member from Winnipeg.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for my friend, the Minister of Fisheries and Oceans, who yesterday put on his citizen Crosbie hat to support the fishermen who are going to take on the international fishing pirates. He is wise to do that because every red-blooded Newfoundlander supports him and so do, I believe, most Canadians, but the minister's support must not be selective and cute.

Does the minister not know that Canadian enforcement ships have arrested foreign fishing boats for violations only to be instructed by Ottawa to let them go without laying charges?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, this is a startling revelation. Perhaps the hon. gentleman will give us more information.

I do know that we have arrested many foreign fishing vessels for offences within the 200-mile economic limit. As a matter of fact, within the last month a Portuguese captain was prosecuted in St. John's and convicted because of an incident two or three years earlier. He was arrested when he came back within the 200-mile economic zone because they were fishing within the 200-mile economic zone two or three years ago. He was fined several hundred thousand dollars.

There may have been some incident in the past which the hon. member is referring to that occurred, but it is certainly not the common practice and there would have been a very good reason for it if it did occur.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I should be glad to give the minister chapter and verse on some of those incidents.

Since Spanish and Portuguese fishing vessels were banned from Canadian ports back in 1986, they routinely use St. Pierre for servicing and supplies. The catch is, of course, to get to St. Pierre they have got to enter Canadian waters. This government is aiding and abetting their illegal fishing by allowing them to do so.

I want to ask the Minister of Fisheries: Is the government now prepared to take immediate steps to ban completely their use of Canadian waters and is the government prepared to enforce that ban?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, this is an entirely new suggestion.

What we have off Canada's coast, as we have elsewhere in the world recognized by other countries, is a 200-mile economic zone which gives the coastal state certain rights with respect to management of the resources within the 200-mile economic zone, including the fish that are within the 200-mile economic zone.

The international law does not recognize any right in a coastal state to interfere with the free navigation of other countries' vessels across the high seas or within the 200-mile economic zone when they are not fishing or otherwise interfering with the resources within the zone.

The hon. gentleman knows he is speaking through his hat, as he is doing most of the time.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is to the Minister of Fisheries and Oceans as well.

Yesterday he is quoted as having said that we are prepared to use imagination and seamanship. My question to him is this. Does this constitute an encouragement on the part of our frustrated fishermen to engage in high seas vigilante activity or was he saying that this minister will hold his course, go to NAFO and tell them to stop overfishing Canadian fish or we are prepared to be as tough as little Iceland was in the early 1970s. Tell them to stop overfishing or we will cut their nets. Is the minister prepared to do that?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I was appearing before the European Community at Brussels and at NAFO long before the hon. gentleman knew what NAFO was.

With respect to vigilante-ism, where was the hon. gentleman when Greenpeace were out vigilante-ing around the ocean as they have done so often on both thbe east coast and the west coast? The hon. gentleman never rose in this House to denounce vigilante-ism when it was Greenpeace's vigilante-ism. But when it is Newfoundland vigilante-ism, when it is fishermen vigilante-ism, the hon. gentleman is up to decry it and to deny it and to attack it. Shame on the hon. gentleman.

Some hon. members: Oh, oh.

Mr. McCurdy: Mr. Speaker, I am sure that you recognize, as do all members on this side of the House, how utterly bizarre was that response. I did not condemn the fishers, I condemned this minister for forcing them out there to do that. We want him to act.

* * *

UNEMPLOYMENT

Mr. Howard McCurdy (Windsor—St. Clair): Since I cannot get a sensible answer out of the Minister of Fisheries, I will turn my attention to the Minister of Industry, Science and Technology.

Yesterday 2,300 GM workers lost their jobs. My question to the Minister of Industry, Science and Technology is what action is this government prepared to take in defence of the other 38,000 GM workers in fear of their jobs as GM prepares further layoffs under political pressure on the American side that the damage be done in Canada rather than the United States?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, it is hard to see a connection between the first question and the second question.

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, one of the best things that the government can do is to create the right atmosphere for new investment in this country, investment that will create jobs that will replace the jobs that will be disappearing as a result of the GM decision.

This has been the essence of the policies that we have been following to get inflation down, get interest rates down to provide that incentive for new investment. That new investment could go into new equipment, new technology, new plants, new research and development. That is the way that a dynamic market based economy will deal with companies that are laying off people and at the same time create the new investment that will provide the jobs for the people who have been laid off.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my supplementary is this. I wonder if the kind of investment he is talking about is the kind of $20 million interest free investment made to Boeing of Winnipeg which the minister of energy said, and I quote: "would ensure job security for the current work force". Yet, 180 people were laid off last weekend, permanently. Is that the kind of help that the GM workers can expect?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, we have in place a number of programs that help companies create jobs, that help companies bring in new technologies, that help companies deal with the ever changing global environment we are dealing with in the world today, not just in Canada. That together with the policies I have talked about in my first response is what will help companies create jobs.

I think what my hon. friend is looking for is the Government of Canada to create a new factory, drop it down beside General Motors in St. Catharines and say: "There, 2,300 workers. There is a new plant".

• (1430)

I think my hon. friend understands that is not the way the economy works.

* * *

AUTOMOTIVE INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, yesterday in this House the Minister for Industry, Science and Technology said that he has instructed Canada's trade negotiators to insist on safeguards for Canadian automotive jobs.

Does this mean that if the auto pact safeguards for Canadian jobs are not met, the minister will reinstate tariff penalties that were wiped out by the free trade deal?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, what our negotiators, working with the Americans and the Mexicans, have been instructed to do is to try and find an arrangement and an environment for

the automotive industry that can make that industry as competitive internationally as possible.

Governments cannot do everything to make companies internationally competitive. Companies, workers and management have to be part of that over-all objective.

What we will be trying to do in the free trade negotiations with the Americans and the Mexicans is to create that environment whereby we can take the best advantage of the three countries and create the strongest possible automotive industry for the three countries.

Mr. Jim Peterson (Willowdale): Mr. Speaker, the minister has refused to honour his commitment of yesterday to insist on safeguards for Canadian auto jobs.

Allow me as a supplementary to say this. Yesterday, the industry minister said in this House that the auto pact safeguards for Canadian auto jobs: "Are not affected at all in the free trade agreement". Yet because of the free trade agreement the big three can pull all their jobs and production out of Canada and export cars back into Canada duty free.

How can Canadians trust this minister to negotiate a trade—

Mr. Speaker: Just a moment. I am sure the hon. member can put the question in such a way that it is less offensive.

Mr. Peterson: How can Canadians have faith that this minister can negotiate a good trade deal with the United States and Mexico when the minister does not even know what the U.S. free trade deal has done to Canada's auto sector?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me quote if I could from the president of the Chamber of Commerce in St. Catharines who was commenting on the decision yesterday and the causes for the decision.

He said: "I certainly don't see free trade as an issue in this thing at all. There was free trade by the auto pact in the first place. I don't see the auto pact as being affected by free trade whatsoever and I would not put any blame on this on free trade".

UNEMPLOYMENT

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, as the previous questioners have mentioned, the industrial heartland of Ontario is truly being devastated with these lay-offs, especially yesterday with the 2,300 jobs lost in St. Catharines which is in my riding.

My question is for the Minister of Employment and Immigration. Will the minister advise how funds promised in Bill C-21 will be used to retrain the workers of the GM plants in St. Catharines after these lay-offs? Will the minister advise what immediate programs and how much money he will make available to retraining of these auto workers?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, concerning that specific location, the consultant from industrial adjustment services has met with local plant management and local representatives of the CAW to discuss the establishment of an IAS committee.

This proposed committee will assist in the development of an adjustment plan for the affected workers. The department will offer its full range of programs and services to all affected workers.

We trust that the programs in place under the umbrella of this IAS committee will serve the interests of the affected workers.

I am not in a position to give an amount of money because this work is taking place as we speak. When the time comes, if the hon. member wants to know these figures, I will provide them.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): I thank the minister for his response and I look forward to his answer as to the specifics of the money.

Mr. Speaker, I address my next question to the Minister of Supply and Services and in his absence to the Acting Prime Minister. I refer to a communiqué released on February 13 for federal contracts recently awarded in Ontario.

In light of the serious blow suffered at the GM plants in my riding, will the Acting Prime Minister tell us why the Department of Supply and Services placed an order of nearly $1 million for new cars for the RCMP, albeit

General Motors cars, but cars that were totally assembled in the United States?

Surely there could be some direction from this department to give some consideration to our Canadian manufacturers and suppliers. I wonder if the minister could address himself to that.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I would caution my hon. friend in putting questions like that because Canadian automotive production represents 17 per cent of North American production.

If we are going to get to a position where individual governments only place orders for Canadian assembled cars we are going to be the losers.

* * *

PUBLISHING INDUSTRY

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is directed to the Minister of Communications.

Yesterday I asked the minister about Grolier publishing company and the book publishing policy of the government.

The minister announced that he was pumping $20 million a year into the publishing industry. He of course did not mention the $185 million per year that this government is sucking out of the book publishing industry with the introduction of the GST and the elimination of the postal subsidies.

Since the minister announced his new policy, Grolier is closing its library and school division, it is moving its inventory, equipment, furniture and records to the United States and is leaving nothing but a shell.

Again I would like to ask the minister: What specific action is he and the government going to take to prevent book publishing companies like Grolier and others from leaving the country? Obviously his new policy is not working.

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, it is a bit premature for the hon. member to say a policy that was announced about three weeks ago is not working.

As he is well aware, the Grolier acquisition took place some years ago and what they are doing is consistent with the actions which they took some years ago.

What we are doing is to try to ensure that a Canadian-owned book publishing industry can prosper in this country. What we are doing is putting new money into the industry.

What we are doing as well is changing the foreign ownership provisions in order to ensure that it is possible for Canadian companies to be able to purchase foreign companies, first of all because they will be healthier; and second, in order to ensure that we are able to require that undertakings be given by foreign companies operating in Canada if they intend to take over operations.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, that is what is called a one-ply answer. Of course, the takeover of Grolier occurred under the Baie Comeau policy which was not enforced.

My question to the Minister of National Revenue is this. When Grolier closed its direct mail book division and moved it to the United States it was a loss of 100 jobs.

Now the mail order division in the United States is packing the books in the United States, metering them, addressing them and bringing them in bulk across the border and distributing them through the Canadian postal system. In that way, the intention of the Minister of National Revenue to charge a $5 special tax on the mail order is avoided.

Is Grolier going to be able to get away with this? What is the minister going to do to prevent this type of circumvention of his own regulations?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, that question was filled with nonsense because anyone that would move south of the border to try to evade the $5 processing charge would realize that they would have to pay applicable duties, applicable taxes including the GST, freight and postage once returning to Canada. It would cost them a great deal more to try to move into the United States to try to circumvent the new system that we just applied.

• (1440)

In fact, the new system that we just applied is going to increase the productivity in this country by some 3.5 per cent within that industry. This will result in the creation of some 2,000 to 3,000 jobs for Canadians.

* * *

VIOLENCE AGAINST WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, on December 12, the Minister of Justice tabled legislation to ensure that a rape victim's past sexual history could not be used to prove consent. It sent a strong message that no means no.

Yesterday, the minister told the Canadian Bar Association that she was willing to revise the bill "in the interests of fairness".

In the absence of the Minister of Justice, I ask the Solicitor General: Is the government backing off? Why is it backing off? Will no still mean no?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, the Minister of Justice was attending the Canadian Bar Association winter meeting and was engaged in a dialogue with the association.

During the course of her remarks, she indicated as we all indicate as ministers, that she is always interested in improvements to the bill.

She is not backing down in any way from the legislation which she tabled. She made the standard offer that if it can be improved by the bar who work with it all the time, or by members of the Opposition, she would look at and entertain any amendments.

Ms. Mary Clancy (Halifax): Mr. Speaker, the legislation clearly stipulates a definition of consent.

The words "revise the bill" related to that very definition of consent. After a meeting with the Canadian Bar Association, the minister seems to have changed her mind.

Will the Solicitor General commit the government to a strong definition of consent, or will he tell us what other kinds of safeguards will be available to the victim if precise definitions of consent are removed?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I know my hon. friend has an interest in this legislation. She was very complimentary to the legislation when it was brought in.

The government stands fully in favour of what the government said in the bill, but this government has never said that we cannot improve on things.

We brought forward legislation that women across the country, including members of this House, welcome. We intend to stand behind it.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is directed to the Acting Prime Minister.

Canada's representatives at GATT have not been able to convince members of the European Community of the importance to Canada of maintaining GATT article XI.

Does the Acting Prime Minister agree with the Minister for International Trade that the United States is the key to success or failure as far as obtaining clarification of GATT article XI is concerned?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I don't think it is useful to identify those who are opposed to clarification.

I think most countries currently negotiating at GATT are in favour of an agreement, and Canada is one of those countries. Canada's position has remained the same—to support and strengthen article XI—and we have repeated this to the Europeans. They listened very carefully to what we told them. I would even say they made it quite clear that they supported article XI. However, it is not their main concern. They would like to have tariffication first and keep article XI as a safeguard. That is not Canada's position.

We are continuing our discussions with the Europeans to try to bring them around so that we will have an agreement that will allow Canada to support these marketing boards, and I believe the hon. member also supports that position. We will continue to defend our position. We will continue our discussions with our allies, wherever they may be, in Europe or elsewhere.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question was quite simple. The Minister for International Trade said the United States is the key.

Could the minister explain very briefly, why the Prime Minister has not approached the president himself about a matter that is so important to Canada's farmers?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the hon. member asks whether the government agrees with the Minister for International Trade. I would have to say that the government does.

The Prime Minister has engaged himself in this issue. He has spoken to a number of the leaders in Europe. He has indicated that he is seeking to make arrangements to either speak to or meet with President Bush in order to put the full influence of the Prime Minister behind the interests, in support of the interests of the farmers, in order to seek a clarification and strengthening of article XI.

That is the position of the government, and that is the position that the Prime Minister is seeking to ensure through his own activities and involvement in this issue.

* * *

PARLIAMENTARY REFORM

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, my question is for the government House leader.

Last year in the throne speech the government promised to make the agenda of Canadians the agenda of Parliament, in other words to empower private members. This promise of parliamentary reform was reiterated in the unity document *Shaping Canada's Future Together*.

Does the government still have the will to come forward with a comprehensive set of proposals to empower private members? When will it table its proposals?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, certainly that remains the commitment of the government.

As the hon. member knows, in 1984 with the McGrath commission many changes were introduced which added considerably to the ability of individual members to exercise influence on public policy. That continues to be our program.

These kinds of things, of course, can only be done with the full co-operation of members on both sides of the House. For that reason, the management committee of this House, on which both sides of the House are represented, is currently looking at a package of proposals. I am looking forward to its recommendations. I hope we will have an opportunity to implement them as soon as possible.

* * *

BREAST IMPLANTS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is for the Minister of National Health and Welfare.

Following the U.S. Food and Drug Administration hearings last week on the safety of silicone breast implants, Dr. Cornelia Baines referred to women who testified as squeaky wheels and said that they were more interested in lawsuits than in factual information.

She also stated that there are many products on the market, from penicillin to peanut butter, that can cause severe reactions in some people, but this is not a reason to discontinue their use.

I ask the minister if he will remove Dr. Baines from his review panel because it is obvious by her biased and misleading pre-emptive statements that she is neither impartial nor credible to bring forward recommendations on women's health.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I want to say to the member that I spoke to Dr. Baines last night about what was reported in the press.

She told me that those remarks were made at the commission by people who were witnesses before the panel. She did not say that herself. She was reporting words that were said by people at the panel.

Dr. Baines is a well-known epidemiologist in Canada and is very highly respected in the Toronto area. There is no reason for me not to believe what Dr. Baines said to me. Moreover, she works with three other members and the other members did not confirm what the hon. member said.

Ms. Joy Langan (Mission—Coquitlam): Perhaps the minister would consider playing back *Canada AM* on the morning that the FDA made its report.

Mr. Speaker, the minister is proceeding with a plan to fast-track the approval process for new medication by privatizing the process. This is a recipe for disaster.

As we have witnessed with silicone implants, the health protection branch simply cuts and pastes. Companies supply research with no real mechanism to identify problems or verify test results presented by manufacturers.

Will the minister tell this House when he is going to take his responsibility for the health of Canadians seriously and stop being merely a rubber stamp for the manufacturers?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, it would be good if this member would call me instead of looking to the newspapers for her information. I would give her the truth. The review process, at the first phase, could be made by the private sector, but all drugs are reviewed a second time by the Department of National Health and Welfare. It is done in all countries in Europe, in Australia, in the United States and in Canada.

• (1450)

Once again, instead of taking this information anywhere, *Canada AM* or *The Toronto Star* and so on, maybe she can call me. I will give her the real information that she needs.

* * *

OFFICIAL LANGUAGES

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, the interpretation of significant demand with regard to the official languages regulations will be implemented on January 1, 1993.

My question is to the President of the Treasury Board. Other than providing notification through *The Gazette*, what other measures have been taken to ensure Canadians have access to this significant information?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to thank the hon. member for Wild Rose for her question.

To begin with, we have ensured that federal institutions are well aware of the regulations and the circumstances under which they have to provide these bilingual services. We have a list of bilingual offices across Canada and this list will be made available. Furthermore, we have been meeting with official language communities and they will receive, as soon as it is available, the copy of the updated bilingual offices' directory.

All Canadians, as you know, can readily identify the federal offices providing bilingual services because there is an official language symbol available in those offices.

* * *

IMMIGRATION

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Today we learned that over 10,000 bogus 2051 forms were used to obtain illegal immigration visas. It appears that the department officials and other immigration consultants were accomplices in the sale of those forms to desperate immigrants for as much as $10,000 a visa.

What assurance can the minister give that this matter is being cleaned up and has he called in the police to investigate this issue?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, thanks to *The Toronto Star*, the member knows about current issues. This was raised in June of last year. I understand there was coverage in the papers but he may not have read it. In fact, we instituted a new document at that time and more secure procedures last June concerning this.

As for the 10,000 figure, all I can say is that the RCMP has been called in and they are investigating it. We are co-operating with them and we await the results of that investigation.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my supplementary is for the same minister.

Immigration consultants and officials may have profited by signing visas allowing illegal immigrants to enter Canada. This is truly tragic today when so many Canadians are looking for jobs themselves and so many legitimate would-be immigrants are seeking entry legitimately into Canada.

Will the minister revoke those illegal visas immediately? Will he see that all of the alleged wrongdoers involved in that process on the 2051 claims, whether they are within government or outside of the government, will be punished?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, instead of following the advice of the Liberal Party, I will not indict anyone until after the RCMP has completed its investigation. Once the RCMP has dealt with it we shall follow the law.

* * *

CHILD CARE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of National Health and Welfare.

A recent *Globe and Mail* story told us of a stressed 12 year old boy spending four hours a day caring for his younger brother and sister while his parents work to support the family. Is this the type of child care program the government envisions for this country?

Canadians want a national child care program. I ask the minister: where is the program this government promised Canadian families in 1984, in 1988 and again in the last Speech from the Throne?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, what I can say to my colleague is that the Government of Canada took a step in December with children and the family issue with the convention for children. We are very close to taking another step which will not be the child care network. We believe that Canadians have other priorities today. It does not mean that the government is not involved. We put more than $1 billion a year into child care services in Canada through the Canada Assistance Plan.

I can assure my colleague that the government will move and soon on the question of the family and children in a perspective that I hope my colleague will support.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, we just heard this government confirm to the House that it has breached its promise to Canadian families on the child care program.

Like the parents of this 12-year old boy, middle class families have been hardest hit by the Tory tax squeeze. Statistics Canada recently reported that from 1986 to 1990 personal taxes rose while personal incomes fell.

Will the minister explain why his government's economic policies have discriminated against the middle class and bled them dry at tax time.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, it is quite likely that the Minister of Finance will give some answers this afternoon. I expect that will be the fact.

I want to say to the member that when we look at the heritage we had before 1984, it was not just the middle class you strike. You strike everybody in the country.

* * *

WOLVERINE TUBE COMPANY

Mr. Stan Wilbee (Delta): Mr. Speaker, my question is for the Minister of Employment and Immigration.

The ongoing issue of the Wolverine Tube Company plant closure has been a very serious one for my riding of Delta. In the most recent development a number of Korean workers have been brought in to dismantle the plant.

Through what process did these Korean workers gain admission to Canada and further, why are they performing a task that Canadian workers should be employed to do?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, in this instance the company in question sold its equipment to KCC Transport Systems in Korea.

Officials of the department met with officers of that company last week to explain the requirements of our immigration legislation. The company has decided to hire a minimum of 20 Canadians to dismantle the equipment in question, although some Korean workers will be involved.

The reason is that the equipment was built in 1958 and the blueprints are no longer available. It may be necessary for Canadian workers to train the Koreans in order for them to be capable of reassembling the equipment in Korea.

Everything was done according to the law and the regulations of the act.

* * *

IMMIGRATION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns two women in Yukon, Andrea Underwood and Anna Carrott, who have lived together as a family with Anna's two children for eight years, the last two running Morley Lodge in Yukon.

Anna, a British citizen, has been ordered to leave Canada with her children by next week because our immigration laws do not recognize lesbian or gay relationships, unlike those of other countries. In view of the tremendous community support this family has received, will the minister undertake to review this case and will he agree to extend Anna's visa and not tear this family apart, at least until the courts have had an opportunity to rule on the legality of this cruel and discriminatory policy?

Hon. Bernard Valcourt (Minister of Employment and Immigration): For the very reason the hon. member just mentioned, this is before the courts. I do not think it would be proper for me to comment since it is before the courts.

Furthermore, the hon. member must know that the Privacy Act, which is meant to protect people, prevents the release of information on individual cases like this and their names. I do not think we serve their interests well.

• (1500)

Mr. Svend J. Robinson (Burnaby—Kingsway): The two women themselves have publicly pleaded with the minister to recognize their plight. So the Privacy Act clearly does not apply.

I want to ask a supplementary question of the same minister. It relates to another imminent deportation, that of Mr. Mahmoud Abu Shandi, a Palestinian refugee in Canada. I want to ask the minister whether he will agree to allow Abu Shandi direct access to the normal refugee application process, access which he has been denied under the national security provisions of the act.

Will the minister agree to a full and comprehensive parliamentary inquiry into the nature of the relationship between CSIS and Mossad, particularly as it applies to immigration in Canada?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, for security reasons, I cannot comment on this case.

* * *

COMMUNITY TALKS PROGRAM

Mr. Pat Sobeski (Cambridge): Mr. Speaker, my question is for the Minister of Industry, Science and Technology.

Last fall, the minister and the Minister of Employment and Immigration commenced as part 1 of the prosperity initiative a program called Community Talks.

While visiting these towns, I am sure the facilitators have heard individuals bring forward a wide range of constructive comments including the development of partnerships, the need for more co-operative education and training tailored to the workplace.

My question is: Have there been too few participants? Are they being listened to and will they be part of the solution?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, we have had over 150 of these meetings, I believe it is, and propose to have some 200 meetings across the country.

They have been exceptionally good meetings. They have brought together people from varied backgrounds, talking about a range of issues under the general umbrella of the prosperity initiative on science and technology, education, learning, investment, the competitiveness of our domestic market and international business.

In response to the particular question as to whether they are being listened to and will their suggestions be acted upon, the answer is a very solid yes. We are listening very closely and we are developing proposals right now as to how we might respond to what I would say are some very good suggestions that have been brought out in these meetings.

EAST TIMOR

Mrs. Beryl Gaffney (Nepean): My question is to the Secretary of State for External Affairs. Yesterday, the minister said that Canada may soon lift the suspension of $30 million in proposed aid projects to the Indonesian government for its inquiry into the massacre at Dili. The minister has clearly bought the glib, smooth, PR lines of the Indonesian foreign minister.

Will the minister issue a directive immediately to the Canadian delegation in Geneva that Canada supports the European Community's resolution on East Timor which is now before the United Nations Human Rights Commission.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, what I suggested yesterday was that I was encouraged by the statement of the foreign minister of Indonesia regarding actions that his government was prepared to take.

There are a number of draft resolutions. As I understand it, no final resolution has been determined to go before the human rights commission in Geneva. We would certainly support one that we think is worded in a way that meets with Canada's principles on this matter.

I would like to point out to the hon. member that no member of the European Community, however strong the resolution, has cut off aid to Indonesia.

Canada is the only country in the industrialized world, the only country in the world, that has cut its program of aid to Indonesia and still has that cut in effect. That is the strongest possible action.

GOVERNMENT ORDERS

[*English*]

CANADA–FINLAND INCOME TAX CONVENTION ACT, 1991

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McDermid that Bill S–2, an act to implement

conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and the prevention of fiscal evasion and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes, be read the third time and passed.

Mr. Angus: I rise on a point of order, Mr. Speaker. I am wondering if I could clarify with the parliamentary secretary to the government House leader that in the event the debate on the bill you have just called is completed prior to the time of the budget later this afternoon, that the House will suspend until such time as the Minister of Finance is prepared to rise.

Mr. Cooper: Mr. Speaker, I would like to confirm to the hon. member and other members of the House that once this legislation is dealt with, we will then suspend to the call of the chair at 4.30 p.m. for the budget. We have no intentions of calling any further bills after this.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

[*Translation*]

SUSPENSION OF SITTING

The Acting Speaker (Mr. Deblois): As indicated by the Parliamentary Secretary to the Leader of the Government in the House of Commons, the sitting of the House will be suspended until 4.30 p.m.

The sitting of the House was suspended at 3.07 p.m.

SITTING RESUMED

The House resumed at 4.30 p.m.

Mr. Speaker: It being 4.30 p.m., pursuant to Standing Order 83(2), the House will now proceed to Ways and Means Motion No. 11, the budget statement.

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

Hon. Don Mazankowski (Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: I am honoured to present my first budget as Minister of Finance. I want to thank the Prime Minister for the confidence he has placed in me and for his wise counsel and support, and particularly his help during the period leading up to the budget.

I also want to take this opportunity to thank the pople of my constituency, the Vegreville federal constituency, who have supported me over the years and have given me the benefit of their good advice, and also for their understanding, particularly in recent days, because I have not been back to the riding for at least four weeks. I do appreciate very much their support.

I also want to thank my colleagues for their advice and good counsel and their help but mostly for their co-operation during the course of the time leading up to the budget. Above all, I want to thank all of those who have sent me their good wishes over the past couple of days. I can assure them that it has been most appreciated.

When I began work on this budget a few months ago, I wanted to ensure that it would be built from the ground up, with the help of Canadians in all parts of the country.

I wanted a budget that would deliver a strong bottom line: one that supports the well-being of Canadians and their families; one that promotes the success of our business people in expanding and creating jobs; one that contributes to a strong and more united Canada. And that's the bottom line of the budget I am delivering today.

In preparing the budget, my colleagues and I listened carefully to Canadians in business, labour, the voluntary and social sectors; to workers, students, managers, farmers, investors, and Canada's youth.

I received hundreds of letters from individual Canadians. We heard from members of Parliament and from provincial governments. Almost every day, I can tell you, Sir, that I received calls from right across the country, giving me some of their thoughts and some suggested solutions to the problems that we face.

During the past two months the Prime Minister met twice with the provincial premiers and they will meet again soon. I met with provincial finance ministers in December and January.

During these consultations we talked of the challenges we face, of the hardship of economic slowdown in Canada, the United States and the other major industrial countrie; of the reality of global industrial restructuring to which, we must all adjust.

Throughout the process I was struck by the sincerity, the understanding and the realism reflected in the advice of Canadians on how best to tackle our economic problems.

Listening and leading

This budget reflects the good advice we received.

It also provides the leadership and direction that Canadians want to help meet the economic challenges that confront us.

It will keep Canada firmly on course for better times ahead, for renewed and sustainable growth, for job creation and for deficit reduction.

The direction we are setting will not appeal to those who believe there are shortcuts to economic success, the same quick fixes that were tried by others in the past and failed. That's not the direction that a majority of Canadians want to take.

Growth and job creation

Canadians want realistic, lasting solutions to our economic problems, not quick fixes that lead to long-term breakdowns or further burdens for the taxpayer.

They are ready to work together to help Canada compete and win in a tough, uncertain economic world. They know that when Canada wins, Canadians win.

Canadians want to cut the deficit.

They do not believe that governments can borrow us out of the trouble that governments borrowed us into. They know that higher debt means higher taxes, and they want an end to rising taxes.

Canadians want government streamlined and made less wasteful to meet the changes and demands of the 1990s.

They want government to adjust to the same budget realities that households and businesses must face every day.

They want the burden of government reduced. They want less regulation, less overlap and duplication.

They want less government and better service.

Canadians want to ensure better development of Canada's most valuable resource—our people.

They want better opportunities for people to improve their skills, and to use their initiative and talent to build a better future for their families, their community and their country.

Canadians are concerned about the growing costs of health care and about the social safety net. They want steps taken to ensure that our social programs meet the basic needs of Canadians and remain a vital part of our Canadian identity.

Canadians know that good social policy and good economic policy go hand in hand—and that each supports the other.

Most of all, Canadians want a renewed basis for confidence —confidence that jobs will be created and jobs maintained.

Responding with action

In this budget we will respond. This budget will bolster recovery this year and strengthen growth and job creation in the years ahead.

We will substantially reduce the deficit.

Despite the economic slowdown, we will hold the deficit to $31.4 billion in the 1991–92 fiscal year. We will reduce it by almost $4 billion to $27.5 billion in 1992–93.

We will cut spending and we will cut taxes.

We will cut spending by $1 billion in 1992–93 and by $7 billion over five years. These savings will be used to cut taxes.

We will act to strengthen Canada's competitive position.

We will reduce the tax burden for the manufacturing and processing sectors.

We will increase support for research and development and encourage productive investment.

We will provide measures to help small business.

We will simplify, streamline and substantially enrich our support for families and children.

We will assist Canadians with registered retirement savings plans (RRSPs) to buy a home.

We will increase our support for Canadians with disabilities.

We will provide additional tax assistance to students.

We will reduce personal income taxes for all taxpayers.

We will restructure and streamline the operations of government to improve both efficiency and service to Canadians. Forty-six government organizations will be eliminated, deferred, merged with other operations or privatized.

This budget responds to the desire of Canadians to have a more expansive economy and a less expensive government. It will help ensure:

a stronger, more productive economy better able to create the jobs that Canadians need; and

a leaner, more efficient government better able to deliver the services Canadians need.

To help prepare Canada's economy for the 21st century, the government will also step up its effort to work with business, labour, the voluntary and social sectors, and other governments. We will seek to renew the national tradition of partnership on which this country has been built and sustained through many challenging times.

A strong foundation for recovery and sustained growth

The measures in this budget are economically, socially and fiscally responsible. They provide help where needed. They are paid for by reducing and reallocating expenditures, not by increasing the burden of borrowing and taxing.

In the same responsible way, year after year, the government has acted in response to need. Over the past few months:

We provided assistance to the agriculture, fisheries, transportation, housing and publishing sectors.

We strengthened support for a more productive and competitive aerospace sector.

We increased worker training and adjustment funds under the unemployment insurance program.

We are enriching the equalization program to help the less wealthy provinces.

We introduced measures to give Canadian retailers a fairer chance to compete with their American counterparts.

We reaffirmed our commitment to a healthier environment by taking further action to implement Green Plan initiatives in priority areas such as global warming, air and water quality and sustainable forests.

All of us are learning lessons from the hardship of recession and global restructuring. One of the most important lessons is that government must never again allow itself to be financially crippled by debt:

Governments do not have the capacity to inject massive stimulus into the economy. To try to do so by further borrowing would hurt us down the road. We cannot get out of a hole by digging it deeper.

Restoring the balance, easing the burden

Reducing the deficit is essential for sustained economic growth and prosperity. It is also an essential foundation for the confidence, at home and abroad, that will ensure a strong recovery.

We have made substantial progress since 1984 by cutting the deficit-to-GDP ratio almost in half from 8.7 per cent to 4.6 per cent. Fiscal balance has been further supported by firm, consistent policies. These have enabled us to maintain tight control of program spending, to make faster-than-expected progress in reducing inflation and interest rates, and to respond quickly to contain upward deficit pressure over the past several months.

As a result, we are able in this budget to cut spending and direct the savings to tax cuts that will help individual Canadians and support economic growth.

The progress we have earned together will yield further dividends. As growth resumes and we make further progress toward price stability, the deficit will fall steadily and quickly.

Action to restrain expenditures

This budget implements a wide range of spending cuts.

We will broaden and deepen the Expenditure Control Plan which was introduced in the 1990 budget and extended by last year's budget. This will be done in a way that does not affect major transfers to provinces.

The defence review of last September and further measures taken with this budget yield a substantial peace dividend for Canadians. Since September 1991 the world has changed a great deal. This has allowed us to reduce our longstanding presence in Europe without lessening our commitment to NATO solidarity. The planned withdrawal of our troops from Europe can be advanced and a task force stationed in Europe is no longer necessary. Defence spending will be cut by a total of $2.2 billion over the next five years.

We will cut the non-wage operating budgets of departments by 3 per cent to save $150 million next year and $800 million over a five-year period. International travel will be reduced. First-class travel for members of Parliament, Senators and senior public servants will be eliminated.

We will save $75 million a year by reducing communications budgets. A no-frills publishing policy will substantially reduce the number of government publications.

The growth in spending by Canada Mortgage and Housing Corporation (CMHC) on social housing will be held to an average of 3 per cent per year.

Other program reductions will save $170 million next year.

As a result of government decisions taken last year, ministerial, parliamentary and public service pay is currently frozen. In addition, the Prime Minister and all ministers will take a 5 per cent cut in their ministerial salary beginning April 1.

We will strengthen cost recovery and improve the collection of outstanding tax liabilities.

We will continue to privatize Crown corporations where they no longer serve public policy objectives. We will dispose of surplus assets.

Our measures to streamline government will also contribute substantial savings over the next five years.

We are also taking action to manage future spending pressures in a fiscally responsible way. The government is prepared to act when necessary to counter the serious fiscal effects that may come from legal challenges to government programs. For example, while the government will continue to implement equal pay for work of equal value, it will not make any further retroactive payments for the period prior to November 1, 1990.

All these measures respond to a clear message from Canadians: difficult times are no excuse for governments to live beyond the taxpayers' means. It has not been business as usual for thousands of Canadian taxpayers, farmers, fishermen, business people, workers and families. It cannot be business as usual for any government that truly cares.

Working together for recovery

The economic recovery began with great promise in the second quarter of 1991, but subsequently weakened as conditions deteriorated in the economies of our major trading partners, particularly the United States.

Real output in the fourth quarter of 1991 was flat or may have declined. Available evidence suggests this weakness has carried over into early 1992.

Times are difficult. There are serious economic problems to solve. But there is no substitute for sound policies. That is the realistic perspective in which this budget was developed.

Neither I, the Prime Minister nor any other member of this government is going to tell Canadians that one budget can meet all our economic challenges.

But in times like this it is too easy to lose perspective, to allow pessimism to feed on itself, and to lose sight of the improving outlook for renewed growth.

We need to look beyond the gloom and give optimism a chance. I'm not talking about blue-sky, hope-for-the-best optimism. I'm talking about down-to-earth optimism based on a realistic assessment both of the proven character of Canada's people and of the improving prospects for our economy.

Time and again, Canadians have demonstrated their ability to overcome adversity, to adapt to change, and to succeed in maintaining this country as one of the best in the world.

We have done this by listening to each other, believing in each other, working with each other, and seeing things through. Many things have changed in Canada. But from listening to Canadians, I believe more than ever in the fundamental strength of our people and our ability to meet our economic challenges.

There are good reasons to look forward to an early resumption of solid economic growth. Some negative factors will soon turn positive.

The United States and other countries we export to are working to revitalize their economies. We will soon begin to benefit as they return to solid growth.

The impact of the measures in this budget should strengthen business and consumer confidence. Once confidence starts moving in the right direction it will reinforce itself as spending and investment decisions further strengthen economic activity.

But as the economy turns upward it will be powered by much more than this reversal of negative factors.

Strengthening the fundamentals

Our economy is poised for a sustained recovery on its own fundamental merits, a recovery that draws on the strength of a dramatic improvement in interest rates, inflation and production costs.

Inflation has come down dramatically over the past year. It is now running at an annualized rate of less than 2 per cent, its lowest level since the early 1970s. Inflation in Canada is about one percentage point lower than U.S. inflation.

Wage settlements also show how inflationary pressures have eased. For the last quarter of 1991, public sector settlements averaged 2.4 per cent, down from an average of 6.4 per cent in the first quarter of last year. Private sector settlements have fallen to 3.3 per cent, down from a first-quarter increase of 5.1 per cent.

Progress in reducing inflation and wage pressures has made it possible to ease monetary conditions. Interest rates have dropped sharply, down by about seven percentage points since the spring of 1990.

The one-year mortgage rate is now the lowest it has ever been. A family taking out a $75,000 mortgage today would save more than $300 a month in carrying costs compared to the spring of 1990.

The emerging new Canadian economy

In assessing Canada's economic prospects it is impossible to overstate the importance of this dramatic turnaround in the cost of living and doing business in Canada. This will have an increasingly positive effect on all families and all enterprises in Canada.

As an indication of just how much things have changed, consider these facts:

For a senior citizen on a fixed pension, inflation at 9 per cent —the average rate from 1974 to 1984—cuts that income in half in just eight years. At 2 per cent, it would take about 35 years.

For a worker, a wage increase of 2 to 3 per cent today provides more real purchasing power than an increase of 11 per cent 10 years ago. In fact, 11 per cent in 1982 was a real wage decrease because the rate of inflation was even higher than 11 per cent.

The benefits of low inflation are clear:

Higher inflation undermines our standard of living.

Lower inflation helps to raise living standards.

It restores confidence in the value of money.

It helps to protect people on fixed incomes.

It improves our cost competitiveness in the global economy.

It improves the climate for the long-term investment that will further expand the productive, job-creating capacity of our economy.

It paves the way for longer-term home mortgages at affordable fixed rates.

Just a reminder. Ten years ago today, in February 1982, the interest rate on a 5-year mortgage was 19 and a half per cent. Today it is 9 and three-quarters per cent.

As a more competitive and productive Canadian economy emerges, we will hear more and more about Canadians developing their skills and realizing their potential, Canadians innovating and investing in a more productive economy, Canadians achieving the excellence that consumers around the world are demanding in the goods and services they buy.

In support of excellence we will hear more and more about Canadian business, labour and government combining their talents, putting outdated adversarial relationships behind them in their own best interests.

Canadians know that this new economy won't just emerge by itself, just as lower inflation, lower interest rates and lower wage settlements didn't just happen. We made progress against inflation because clear inflation objectives were set, leadership in wage restraint was demonstrated and Canadians responded to the challenge.

Working together, Canadians will build our new, more successful economy by continuing to face up to fundamental economic challenges in a realistic and determined way.

Strong framework for growth

Step by step since 1984, the government has implemented a comprehensive program of economic renewal. We have carried out a wide range of fundamental reforms to improve the framework of government policies affecting the efficiency and the productivity of the economy.

Whether in the area of trade, training, tax reform, science and technology, privatization or deregulation, the approach underlying our reforms has been consistent and clear: the real source of growth, wealth creation and jobs is the initiative of people in the private sector. Governments must create a positive environment to allow this initiative to flourish.

The Canadian economy will soon respond to the positive conditions now in place for recovery.

Earlier this month, the Conference Board of Canada forecast that growth in Canada would be the highest among the G-7 countries this year. This view is also shared by the Organization for Economic Co-operation and Development and the International Monetary Fund.

We expect growth to pick up in the second quarter, averaging 2.7 per cent for the year as a whole and rising to 4.5 per cent for 1993. The recovery will be led by a strong increase in residential construction and consumer spending in response to lower interest rates.

Continuing progress toward price stability will allow for further easing in interest rates. The 90-day commercial paper rate is projected to average 6.9 per cent this year and 6.5 per cent in 1993.

More than 500,000 jobs will be created before the end of next year, with employment increasing by 3 per cent in 1993. However, strong growth in the labour force will keep the unemployment rate this year at about current

levels. It will decline to 9.5 per cent by the end of next year.

From 1994 to 1997, we expect growth to average 4.4 per cent. Inflation will be in line with our inflation targets. More than one million jobs will be created and the unemployment rate will decline to 7 per cent.

There is good reason to be optimistic, but we must also be realistic. The world economy is changing. Barriers to the movement of goods, services, capital and information are coming down. Industry all around the world is restructuring to take advantage of new opportunities. In the process, the Canadian workplace is being transformed.

These events have repeatedly driven home the same message: no country, no government, no corporation and no worker is immune from the competitive forces that are reshaping the economic world.

Canadians will have to work together to build a more prosperous future. That's why the government launched its prosperity initiative last year as a broadly based consultation process. Our goal is to develop a national action plan to strengthen Canada's ability to adapt, to compete and to prosper.

At the recent First Ministers' meeting, many governments stressed the important contribution that adequate infrastructure makes to our competitive position. The Government of Canada agrees this is important. We are, for example, working with the private sector to develop airport infrastructure. And we are actively pursuing the building of a fixed link from the mainland to Prince Edward Island with private sector financing. We are prepared to work with the provinces to explore ways in which the national highway system might be upgraded in a fiscally responsible manner.

In the same spirit the government will work closely with the provinces to strengthen the framework that our economic union provides for future growth and job creation. Among our key objectives will be action to reduce interprovincial trade barriers, to cut overlap and duplication among government programs, to better harmonize our tax systems, and to co-ordinate our approaches to budgetary policies.

The provinces will be setting their own budgets in the near future. It is important that they pull in the same direction as this budget: toward better fiscal balance, lower deficits, greater spending restraint and control of the tax burden. There is only one taxpayer, and the taxpayer deserves a break.

Action for recovery and sustained growth

This budget builds on the foundation we have put in place.

Action to bolster recovery

We will help bolster the recovery by providing a welcome break for Canadian taxpayers and home buyers. The equation is simple: we are reducing spending in order to cut taxes.

Reducing the personal income surtax

Personal income taxes will be cut. The personal income surtax will drop from 5 per cent of basic tax to 4 per cent on July 1, 1992 and to 3 per cent on January 1, 1993.

This will increase Canadians' after-tax income by $500 million in 1992-93, and more than $1.2 billion per year thereafter. All 14.6 million taxpayers will benefit.

The Home Buyers' Plan

We will introduce the Home Buyers' Plan to allow Canadians to use existing funds in their registered retirement savings plans (RRSPs) to buy or build a principal residence. Individuals may withdraw up to $20,000 tax-free for this purpose and repay the amount over 15 years. This measure takes effect immediately and will apply until March 1, 1993.

Action for investment, initiative and jobs

We are taking a number of actions to encourage initiative and productive investment. These measures will assist Canadian industry to create jobs.

Manufacturing and processing

The manufacturing and processing sector is vital to Canada's economy. It accounts for almost one-fifth of Canada's economy and its jobs. It operates in international markets, with over 40 per cent of its output exported, and is highly exposed to international competition. This sector has been particularly hard hit as manufacturers in Canada and other countries have been forced to restructure their operations.

To help the Canadian manufacturing and processing sector meet the challenges of globalization:

The manufacturing and processing tax rate will be reduced from 23 per cent to 22 per cent, effective January 1, 1993, with a further reduction to 21 per cent on January 1, 1994.

The capital cost allowance rate will be increased for manufacturing and processing machinery from 25 to 30 per cent, effective for acquisitions made after today.

New activity in all sectors will be encouraged by reducing the withholding tax rate on direct dividends to 5 per cent. The government is prepared, in tax treaty negotiations, to begin reducing the rate on January 1, 1993. This will help Canada compete for international direct investment. It is particularly important now as international businesses restructure their world-wide operations.

A number of other measures in this budget will assist in financing the growth of Canada's economy and in preserving and creating jobs.

Research and development

The government recognizes the importance of research and development. Canada's system of tax incentives to support research and development is already one of the most generous in the world.

This budget commits an additional $230 million over the next five years to improve these incentives by making them more easily accessible to users.

Lifetime capital gains exemption

Currently, taxpayers can receive tax-free capital gains up to a lifetime limit of $100,000. This limit will not be changed. However, the lifetime capital gains exemption will be targeted toward more productive investments.

Capital gains accrued on real estate after February 1992 will no longer qualify for this exemption. Gains accrued prior to March 1992 will continue to qualify. This restriction does not apply to real estate used in an active business. Nor does it affect the $500,000 exemption for small business and qualified farm property.

Principal residences will continue to be fully exempt from tax on capital gains.

Small business

Small businesses are key to the healthy growth of Canada's economy. The federal tax treatment of small businesses is among the most favourable in the world. In these difficult times, however, many small businesses are experiencing serious cash-flow problems.

In response, the government is announcing two measures to help small business:

The Small Business Financing Program will help small businesses in financial difficulty, including farmers, to obtain loans at lower interest rates.

In addition, the ceiling for loans to individual small businesses under the Small Business Loans Act will be doubled from $100,000 to $200,000.

Venture capital

Venture capital makes an important contribution to innovation, wealth creation and job creation. The government provides tax assistance to encourage venture capital investments.

In May 1985 this government provided initial support to the creation of Labour Sponsored Venture Capital Funds. These funds are growing in importance and should prove to be a useful source of venture capital.

This budget will make it easier to establish such funds and will provide further tax assistance to them.

Ethanol and methanol fuels

This budget provides important measures regarding ethanol and methanol fuels. The government will encourage the development and use of ethanol and methanol fuels made from renewable feedstocks. Such fuels offer important environmental benefits, including low levels of carbon monoxide and carbon dioxide emissions.

Effective April 1, 1992, we will eliminate the excise tax on the ethanol and methanol portions of blended fuels that are mainly gasoline.

A social dividend

Building a healthy economy is good social policy and good social policy helps to build a healthy economy.

Spending restraint and progress toward fiscal balance will allow the government to increase assistance to Canadian families, consistent with the values and expectations of Canadians. This social dividend is financed by spending cuts in many areas, including savings in defence in response to the changing world order.

Enriching benefits for families with children

In May 1990, on behalf of the Government of Canada, the Prime Minister signed the United Nations Convention on the Rights of the Child. This Convention, which aims to protect the rights of children around the world, was one of the main agenda items at the World Summit for Children which the Prime Minister co-chaired later that year. On December 11, 1991, the Prime Minister announced that Canada has formally ratified the Convention.

My colleague, the Minister of National Health and Welfare, has been consulting Canadians on how best to meet the needs of children in Canada. As part of a package of measures he is developing to strengthen support for children, he has recommended a major reform of the existing system of child benefits.

Under the current system $4.5 billion in financial assistance is provided to families with children through the family allowance and the tax system. This has evolved over the years into a patchwork of measures which is neither well-targeted nor easily understood.

Under the proposals outlined by the Minister of National Health and Welfare, child benefits will be completely restructured and substantially enriched.

There will be one monthly child benefit. Unlike the family allowance, it will not be subject to tax. Children under the age of 18 will be eligible.

The new benefit will include a new earned-income supplement of up to $500 per year for low-income working families with children.

The benefit will be as much as $144 per month for one child, for a total of $1,733 per year. Benefits will be targeted toward lower- and middle-income families.

The new system will increase total federal child benefits by $400 million per year.

The single monthly payment will make the system simpler and more responsive to family needs.

The Minister of National Health and Welfare is releasing a White Paper that outlines details of this important proposal. The package that he has developed reflects this government's commitment to the family and to the well-being of children, a commitment vital to the Canadian way of life.

This budget proposes two further measures affecting the taxation of families effective for the 1993 income tax year.

The maximum child care expense deduction will be increased by $1,000—to $5,000 for each child under age seven and to $3,000 for other eligible children. This will benefit 600,000 taxpayers, 75 per cent of whom are women in the work force.

In addition, common-law couples will be treated the same as married couples under the tax system. This will ensure consistent tax treatment of different types of families—a key element in improving the fairness of the tax system. Existing tax disadvantages to the traditional family unit will be eliminated.

Assisting Canadians with disabilities

Over the past several years, and in many of our budgets, this government has dramatically improved assistance for Canadians with disabilities. This past September, the Prime Minister announced a $158 million Strategy for the Integration of Persons With Disabilities. This budget builds on this record of action.

We will expand the definition of expenses eligible for the medical expenses tax credit. We will also broaden the range of expenses eligible for the tax deduction, introduced in the 1991 budget, for modifications by businesses to buildings and devices to assist Canadians with disabilities.

We will make the education tax credit available to disabled individuals who attend a post-secondary educational institution on a part-time basis.

We will recognize disability pensions under the Canada Pension Plan and Quebec Pension Plan as earned income for purposes of contributions to registered retirement savings plans.

More than 400,000 disabled persons currently benefit from assistance through the tax system. These changes reflect a constructive process of ongoing consultations with representatives of Canadians with disabilities. These consultations will continue and will focus, in particular, on how to alleviate work disincentives for persons with disabilities.

Increasing the education credit

The budget provides additional tax relief to students.

The amount on which the education credit is calculated will be increased by one-third from $60 to $80 per month of full-time study.

The limit on the total amount of tuition fee and education credits which may be transferred to another taxpayer will be raised from $600 to $680.

These measures will assist all full-time post-secondary students.

In addition, my colleague, the Secretary of State, will be negotiating new arrangements for student loans with financial institutions. The expected savings will provide scope to improve the Canada Student Loans Program and to eliminate the 3-per-cent administration fee on student loans.

Retirement planning and savings

This budget provides greater flexibility in retirement planning by extending the payout period for registered retirement income funds over the lifetime of the holder.

We will also delay by one year the phase-in of higher contribution limits for registered pension plans and RRSPs.

Streamlining government and improving service

To streamline government, we will eliminate, consolidate, defer or privatize a total of 46 government agencies, boards, commissions, corporations and advisory bodies.

Among the agencies that we will eliminate are the following:

the Petroleum Monitoring Agency

the Pay Research Bureau

the Law Reform Commission

the Canadian Institute for International Peace and Security

the Economic Council of Canada

the Science Council of Canada, and

the Demographic Review Secretariat.

We will consolidate the operations of several other agencies, to save overhead and focus resources. For example:

the Patent Appeal Board, the Trade Mark Opposition Board and the Copyright Board will be merged into a new Intellectual Property Tribunal;

the offices of the Privacy and Information Commissioners will be merged;

the mandate of the Canada Council will be expanded to include the Social Sciences and Humanities Research Council and international cultural programs now run by the Department of External Affairs.

As well, 13 advisory councils will be terminated.

As a result of these actions, there will be 160 fewer government appointments and 500 fewer employees. Savings will amount to $22 million per year on an ongoing basis.

The government will continue to privatize Crown corporations and will take a more aggressive approach to the disposal of assets. We will sell our interest in the Co-operative Energy Corporation. We will examine, on a priority basis, the feasibility of privatizing the Royal Canadian Mint, the Cape Breton Development Corporation and the Blainville Motor Vehicle Test Centre.

We will sell surplus lands at Downsview, Pickering and elsewhere in Canada. And we will sell properties abroad that are no longer needed—including properties in Paris, Bordeaux and Washington.

Improving service to Canadians

Canada benefits from one of the most highly regarded, professional and competent public services in the world. For some time now, as part of Public Service 2000, the government has been encouraging a process of revitalization and modernization —to ensure that Canadians continue to be well served by their federal public service.

An important part of this process is to free up the creativity and entrepreneurial spirit of public servants—to cut away the red tape and allow them to do their job of serving the public better. Consistent with this approach, this budget proposes a number of measures to allow public servants to better serve the public.

Federal departments and agencies offering related services to individuals and businesses will take all reasonable steps to bring their services together in one place.

Procedures for dealing with the federal government will be simplified. Currently, businesses may need up to six different registration numbers in their dealings with the federal government. We will move toward a single registration number. We will make greater use of simplified tax forms. We will develop standards of service to promote more accessible hours of service and faster response times.

We will implement a department-by-department review of existing regulations, beginning with Agriculture Canada, Transport Canada and Consumer and Corporate Affairs. Existing regulations that should be kept will have to be publicly rejustified. The government will ask the Standing Committee on Finance to assist in this process and report by September 30, 1992.

These actions are part of an ongoing process to streamline government organization and improve service to the public. The government will welcome suggestions for further action from any member of the House or from any Canadian who is watching.

Sustaining progress in the medium term

The measures in this budget will improve the economic and social well-being of Canadians. They are being implemented within a responsible and prudent fiscal plan. Reallocation to meet new priorities will not compromise deficit reduction.

Over the next five years, program spending will grow on average by only 3 per cent per year. Our spending will be within the limits of the proposed Spending Control Act.

The deficit will fall to $27.5 billion in the upcoming fiscal year, decline further to $22.5 billion in 1993-94 and decline continually thereafter.

Financial requirements will be eliminated in 1995-96. We will then begin to reduce our outstanding debt in the financial markets for the first time since 1969-70.

As we continue to make progress on the deficit and the debt, we will achieve a crucial objective for Canada: to increase our capacity to cut taxes further and make strategic investments in the economic and social development of our country and its people.

Our progress in restoring this flexibility will be measured by the steady reduction in the share of each tax dollar that will be required to pay for interest on the public debt. From more than 35 cents in 1990-91, it will drop to about 30 cents in 1992-93. By mid-decade it will fall further to about 25 cents.

For all Canadians that has to be welcome news. This is a burden that has been sapping Canada's financial capacity to provide the services required from a strong central government. The reversal of this trend that I refer to today is one of fundamental importance to Canada's fiscal integrity and economic well-being.

I am tabling the budget documents including Notices of Ways and Means Motions. Details of the measures are included in the documents.

Pursuant to an order of this House, I will introduce today a bill seeking borrowing authority for the 1992-93 fiscal year.

I am asking that an order of the day be designated for consideration of those motions.

Conclusion

This budget is about listening to Canadians and responding to their views with leadership and action.

But it is not just about the initiatives that I have announced to take effect tonight and in the months ahead. This is about charting a course for the future.

It is a challenging, complex and far from certain future, but a future that is full of opportunity for Canada.

To meet the test of that future, our job as Canadians is to harness our skills, our knowledge, our initiative, our resources and our strength through partnership and co-operation.

In the consultations leading to the budget, I was inspired by the realism of Canadians and their willingness to contribute to the building of a stronger, more productive economy.

There are many different ways that we can contribute—as many ways as there are Canadians.

In the budget last year, the government introduced the Debt Servicing and Reduction Account. This Account receives the revenues from the GST and the proceeds of privatization of Crown corporations, and ensures that the money will not be used to fund new spending initiatives, but will be used to pay the servicing costs of the debt and eventually to pay down the debt. The fund has one other source of revenues —contributions from Canadians. During the first 10 months of the current fiscal year no less than $375,000 has come to the fund in this way. As Minister of Finance, I want to express my gratitude for these contributions to Canada.

At the same time I would be remiss if I did not extend a sincere invitation to others who may wish to support the fight against the nation's debt in a similar way.

There is another kind of contribution to Canada that I hope all Canadians will make in the coming months. It is to reach a little deeper into the reservoir of tolerance and co-operation upon which this country has been built, and to work together to preserve and renew the unity of our country. In this way we will remove the single greatest obstacle to our future prosperity.

By working together on all our national challenges we can ensure that we will do what our parents did, and theirs before them: to build for their children an even better Canada than they inherited.

To meet this challenge we must renew our pride as Canadians: pride in producing goods and services that can compete with the best in the world, pride in being citizens of a country which is the envy of the rest of the world.

• (1730)

I am confident from listening to Canadians that we are ready to face this challenge and to win and, by winning, provide a more prosperous, more promising and more secure future for all Canadians.

Some hon. members: Hear, hear.

Mr. Speaker: Does the hon. minister have unanimous consent to introduce the bill?

Some hon. members: Agreed.

* * *

BORROWING AUTHORITY ACT, 1992-93

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved for leave to introduce Bill C-61, an act to provide borrowing authority for the fiscal year commencing on April 1, 1992.

Mr. Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Mazankowski moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Hon. Herb Gray (Windsor West): Mr. Speaker, there is only one true test, only one real measure of this budget that counts for anything, and that is what this budget does for those 1.5 million Canadians without jobs and what it does to help our economy get moving again with strong and meaningful growth. By that measure this budget is nothing more than an abject failure.

[*Translation*]

In light of this test, this budget is a total failure.

[*English*]

It is a failure because instead of a strong reduction in unemployment this year, and even after taking into account what the minister claims are measures to help Canadian families and businesses, this country will still have an unemployment rate of 10.5 per cent and an unemployment rate of about the same level next year. There is nothing in this budget to bring about the strong growth this country desperately needs.

[*Translation*]

There is nothing in this budget to create a really strong economic recovery for this country.

[*English*]

The Minister of Finance does not admit this failure. He does not mention it in his budget speech but it is there, it is set out, hidden in the budget papers. Look at page 41. Here are the government's own words and I quote:

> Taken together, annual growth this year and next still remains well below the 4.7 per cent average of growth in the 1983 and 1984 recovery period.

Also the Minister of Finance has the nerve, *il a le toupet*, to stand up in this House to boast about a tax cut for individual Canadians. There is no cut in the basic personal income tax rates. Instead it is a small cut, not the elimination of a special surtax imposed on all Canadians by this government since it took office.

Let us see what this supposedly generous Minister of Finance and government has done for Canadians. Let us look at the chart on page 135 of the budget papers. For a one-earner couple with two children earning an average income of $40,000, the minister is giving them a surtax cut of $27, after raising their taxes by more than $1,000 since 1984. For a one-earner couple with two children, earning $20,000 a year, he gives them a cut of $6.

Guess what Mr. Generosity, the Minister of Finance, is giving to a family earning $15,000. It is $2 a year—$2 from two-buck Maz. No wonder I say that even this Minister of Finance is not going to be able to sell Canadians a used budget like this one.

In other words, for the poorest of the poor in this country, the Minister of Finance is giving a tax cut of 50 cents this year for each member of a family of four with an income of only $20,000. You cannot say the Minister of Finance does not give a damn for poor Canadians. At least he is giving them 50 cents a year for each member of a family of four.

This budget has no heart, no hope for Canadians without jobs *il n'y a aucun espoir dans ce budget pour les Canadiens sans emploi.* It is clear this budget is an abject and abysmal failure because it simply does not do what it has to do. It does not get Canada working again. That is why I move:

That the debate be now adjourned.

Mr. Speaker: Accordingly, pursuant to Standing Order 83(2), the motion is deemed adopted. Consequently this House stands adjourned until tomorrow at two o'clock p.m.

The House adjourned at 5.37 p.m.

HOUSE OF COMMONS

Wednesday, February 26, 1992

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, on Monday the Minister of Fisheries and Oceans announced a 35 per cent reduced northern cod quota.

There were general statements on foreign overfishing, seal problems and compensation, with no specifics, no firm action, only vague promises, repeating the past.

Time is running out. There are variable factors that can be controlled in this complex issue but I believe the minister has either missed the boat or he is failing to close the barn door before the horse bolts.

In the House of Commons, he denies supporting unilateral action by Canada to control the nose and tail of the banks. In St. John's for the Newfoundland media, he is hawkish on resorting to this serious but reasonable and essential measure.

We are still awaiting specifics on the seal cull. Yesterday there was a perfect window of opportunity in the budget to lay out concrete compensation plans, but it was sadly missed.

I ask the minister and this government to come clean once and for all and let Canadians know that this government has the political will to move on these all-important issues to salvage the Atlantic fisheries.

MACEDONIA

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, a great number of my constituents are of Greek origin and are deeply concerned by the developments in the Balkans.

It is very disturbing for all Canadians of Greek origin to witness any attempt to rob them of their cultural heritage. I would like to assure them that, as any schoolboy knows, Macedonia is an integral part of Greek culture and civilization and the Canadian government is more than aware of their sensitivity and concern.

I am glad that next Saturday, February 29, thousands of Canadians of Greek origin will demonstrate in Ottawa in order to make the government and their fellow Canadians aware of their feelings regarding this issue.

I urge all Canadians to come to the Hill next Saturday to support that peaceful demonstration.

* * *

RURAL CANADA

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, to those of us from farm constituencies, yesterday's budget seems to ignore the continuing plight of farm families. Bankruptcies remain high. The accumulated farm debt remains at record levels. The price of grain remains inadequate. Economic confidence remains depressed and the GATT talks have not been concluded.

Yesterday's budget speech should have acknowledged that the farm community may require substantial assistance during the coming year and therefore given farmers confidence in their own future before they plant their crops this year.

Farmers do not want to have to come to Ottawa, hat in hand, after the harvest is complete. This budget should have acknowledged the continuing uncertainties in agriculture and expressed the government's intention to cover this year's shortfalls if they occur. Otherwise we

are left to conclude this will be another difficult year for farm families dealing with a difficult and apparently uncaring government. Rural Canada deserves better.

* * *

OLYMPIC GAMES

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, on behalf of all New Brunswickers, I want to congratulate Mark Lackie for his silver medal performance in the 5,000 metre speed skating relay at the XVI Winter Olympics in Albertville, France.

Mark was the only member of the Canadian team from New Brunswick and the only New Brunswicker ever to win a silver medal at a Winter Olympics.

His remarkable achievement makes us all proud to be Canadians and proud to be New Brunswickers.

Congratulations Mark, and best of luck in your future skating competitions.

* * *

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the government on a number of occasions, for example the Speech from the Throne and through its ministers, has made a number of important statements about education. What has been its action?

There will be another $250 million reduction in transfer payments this year alone. What effect will this have? It will have a negative effect on the amount and quality of education, the amount and quality of training and retraining and the amount and quality of research and development.

The government is beginning to privatize student aid. It is supposedly going to remove the 3 per cent administrative fee on student aid but it will fold it into the interest rate and the students will end up paying more. Combined with the elimination of the six-month interest free period for needy students upon graduation, the government is just adding to the growing debt of students in Canada. The merging of Social Sciences and Humanities Research Council with the Canada Council and the decision to close the Science Council of Canada and the Economic Council of Canada makes it abundantly clear that this government has lost its bearing.

[*Translation*]

There is nothing in it for students.

* * *

NATIONAIR

Mr. Vincent Della Noce (Laval-Est): Mr. Speaker, employees of Nationair have been locked out since November 19, 1991. Many of my constituents work there. Nationair accounted for 51 per cent of Mirabel's traffic and the whole economy of Mirabel goes through Laval. Since this lockout began, the union has forced employees to boycott Nationair. The strikers use wrong-headed tactics like intimidating travellers and raising doubts about safety and equipment to reach their goal. Even elected NDP members are used to apply pressure.

In short, the unions are using defenceless employees to destroy a national company. I think that this union is being controlled by some people in Toronto who have no interest in reaching a settlement and particularly by the Quebec Federation of Labour, which seems to own 25 per cent of Air Transat, a competitor of Nationair. Unfortunately in this whole affair it is the employees who pay, and they are turning the other employees against them.

I wish to assure these employees of my support and I demand that the union stop filling its pockets at the workers' expense.

* * *

• (1410)

[*English*]

STATUS OF WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, yesterday's budget cuts put a roadblock on the highway to the advancement of women in Canada. The government has served notice that it will not make pay equity retroactive payments prior to November 1990, thus paying only lip service to women's equality in the work force.

The government has also threatened the spousal allowance, decreeing that should the cases currently before the courts result in substantial settlements of money, the program could be cancelled. The majority of low income seniors benefiting from this allowance are women. Thus, again, the government states that chal-

lenges to potentially discriminatory legislation will result in cancellation.

Finally, the government today announced that a national child care program is a dead issue. Canadian women who are in need of suitable affordable child care cannot find it and the increase in child care deductions will not create the needed spaces. Once again the government has backed down on its promise.

Does the minister responsible for health and welfare really consider it, and I quote: "a privilege to have killed child care in Canada"?

* * *

THE BUDGET

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, northern Ontarians were very pleased to hear of the initiatives undertaken in last evening's budget to help us through the recession: reductions in the manufacturing and processing tax rates; a 2 per cent cut in personal income tax; a home buyers' plan that allows the use of RRSPs up to $20,000; increased venture capital funds and the ceiling for loans to small businesses doubled by $200,000.

As the finance minister said yesterday, we hope that the provinces take notice of how we are able to cut the deficit by cutting government spending, not by raising taxes. We hope the money we have given to the taxpayers will not end up with the provincial tax man. We need money in the economy, not in provincial coffers.

If I could send one message to Queen's Park, it would be a plea from the taxpayer. Northern Ontarians are saying to you, Pink Floyd, no more taxes.

* * *

[*Translation*]

THE BUDGET

Mr. Nic Leblanc (Longueuil): Mr. Speaker, the federal government knows that we are living through the worst recession in 30 years. The federal government also knows that the Canadian economy is handicapped by chronic structural weaknesses such as dependence on raw materials, uncompetitive industries, an overvalued dollar hindering exports and unacceptable backwardness in science and technology and research and development.

I expected the government to take serious action in the budget. What did the government do? At one stroke it abolished the Economic Council and the Science Council of Canada.

I wonder whether the government is serious when it talks about economic recovery.

* * *

NATIONAL DEBT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, in 1984–85 the Liberal national debt was $206 billion. Compound interest on the Liberal debt from 1984–85 to date is $239 billion. The federal Liberal leader calls for openness, integrity and elections.

On behalf of Canadian taxpayers, I ask him to tell us how the Liberal government acted openly and with integrity in leaving us this $445 billion debt.

The Liberal member for LaSalle—Émard will be in Val-d'Or next week. I hope that he will talk about this Liberal national debt, which is the theft of the century.

* * *

[*English*]

THE ECONOMY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, Canadians were looking to this government to boost consumer confidence and so revive consumer spending. The survival of many retailers is dependent on the government's actions. The jobs of many Canadians are on the line.

The December sale figures came out this week. They showed a 10 per cent decline over last December in retail sales. It is obvious that this government has no plan to put 1.5 million unemployed Canadians back to work. There is no capital works program, little investment in research and development, even less in the way of training initiatives to deal with the restructuring.

This government's lack of action to boost consumer confidence indicates that it has lost the will to lead this country. The government could have acted; it did not.

Canadian retailers and workers are going to continue to suffer due to this government's neglect.

* * *

PETROCHEMICAL INDUSTRY

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, for a number of months I have worked with local industry and the Sarnia–Lambton Chamber of Commerce to point out that aspects of our current federal–provincial tax regime had to be changed to make it more attractive for new investment in the petrochemical and refining sector.

The case was made to the Prime Minister, the Minister of Finance and the Minister of Industry, Science and Technology. They listened, and action was taken in yesterday's budget. The 1992 federal budget has taken the lead to address this after-tax problem. Provisions for our local petrochemical refining base include a reduction in the manufacturing and processing tax rate and an increase in the capital cost allowance rate for M&P machinery.

I am pleased that our government has taken the first step to make Sarnia—Lambton a more attractive place for new builds in the petrochemical and refining sector. We can now look to the Government of Ontario to follow our lead and introduce initiatives that complement these federal measures. The last thing that Sarnia—Lambton needs is the province to move into the tax room which the federal government has now vacated.

* * *

HOUSING

Mr. Mike Breaugh (Oshawa): Mr. Speaker, last December the federal minister responsible for housing announced rather grandly: "The federal co-operative housing program, which helps to house low and moderate income households, will continue in 1992". That lasted until yesterday. That program was cancelled by the Minister of Finance.

That means that over 4,000 housing units for those who are in need will be cancelled. That means that we will lose 4,000 jobs building those units now and perhaps another 10,000 later. That means municipalities and provincial governments will lose in this calendar year $46 million for each 1,000 units that have been cancelled.

That is a sad message. That means that the half million people in this country who are on waiting lists for socially assisted housing will get nothing. That means that that group of over 40 activists from the province of Quebec who have camped out on the ice below Parliament Hill waiting for some good news from this government got a cold blast of winter wind this morning and nothing else.

* * *

CAPE BRETON

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Mulroney government has once again targeted Cape Breton Island in its budget with the announcement that it is going to privatize the Cape Breton Development Corporation and dismantle Enterprise Cape Breton. The government is abandoning the coal miners of Cape Breton, their families and the small business community.

At the present time we have areas in Cape Breton with an unemployment rate upward of 50 per cent. The Cape Breton economy is desperate and yet, instead of putting programs in place to stimulate job creation and get people off UIC and welfare and back to work, the federal government wants to pull out of Cape Breton, leaving 3,000 jobs in limbo.

The national Liberal caucus during the ACOA debates of 1987–88 predicted the privatization of Devco and now we see that the groundwork has all been laid out. This government has abandoned the region of eastern Nova Scotia, the same way it has abandoned the farmers, the fishermen and the auto workers. This government is ignoring its responsibility to this region of the country and is deliberately making things worse for the people of Cape Breton and, indeed, all of Atlantic Canada.

* * *

THE BUDGET

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, the finance minister's budget brought down in the House last night is evidence that this government does listen. The budget demonstrates that it has heard Canadians say: "No more taxes, leaner and more efficient government, less regulation and, most important, no new spending".

This government has also listened to backbenchers like myself. Since the fall of 1990, I have been drawing to the attention of caucus the numerous beautiful but very costly government publications. I must say I was delighted to hear the finance minister say that this is a thing of the past. From now on government publications will be subject to a no frills publishing policy.

By reducing communications budgets we will save $75 million a year. This good news I know will be well received in my riding of Simcoe Centre.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, these are the worst economic times we have experienced in 50 years. We have been in a recession for 24 months, but there was nothing in yesterday's budget to kick-start the economy. The government, however, wants Canadians to believe it has cut taxes.

We can see the minister's tax reductions on page 135 of the budget. A family of four with an income of $15,000 will enjoy a staggering tax reduction of $2 per year, while a family of four with an annual income of $20,000 will enjoy an equally staggering tax reduction of $6 per year less than two cents a day. Why does the minister not recognize where his responsibilities lie and do something to get this country moving again?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is inaccurate when he says that this is the worst economic times in 50 years. He was a senior member of the government that presided over one of the worst recessions in our history, namely 1981–82. This budget is about economic recovery. This budget is about creating jobs. It is about creating confidence and improving our competitiveness and creating a positive economic environment for investment.

• (1420)

If the hon. member has been listening, he will know that organizations like the Canadian Manufacturers' Association, the Canadian Federation of Independent Business, the Business Council on National Issues have all indicated that these are the right steps at the right time to improve the investment climate, to preserve jobs and to create new job opportunities for Canadians in the future.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, the budget of yesterday marked the beginning of the end of universality. The government has broken its promise. Universality is no longer a sacred trust.

I want to ask the minister if he is also going to end the universality of medicare. Will he subscribe to the plank of Preston Manning? I want to tell him that beds in hospitals in Canada are for sick people, not only for people who have money. We will fight if this government wants to kill medicare in Canada as it did with the family allowance yesterday.

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, first, I must say I am very proud of what the government did for Canada's children yesterday.

[*English*]

Second, I am going to be very up front with the Leader of the Opposition about what he said. I do not know what he means about universality because the Liberal Party does not always have the same position. If I understand, universality means that I cannot take money from a man or a woman who earns $250,000 to give to children who are in a position where they need to be helped. I do not want that universality.

Hon. Jean Chrétien (Leader of the Opposition): Some day we will have a good debate about what that means. In Canada we treat all citizens the same. For those who make money, we tax it back.

What the minister is trying to do today will leave the impression in Canada that not everybody is treated the same way. The second step will be that he will be moving on medicare. I was in the United States last week. Everyone there envies our universal, free medicare for all citizens, and we want to keep it that way in Canada.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I do not know why the Leader of the Opposition is talking about medicare. Nothing in the budget will change medicare.

What medicare does is respond to the needs of Canadians in terms of health. That is exactly what we do. As usual, the Leader of the Opposition is talking about universality and talking about keeping all the cheques.

I would like to quote his colleague, the premier of New Brunswick, Mr. McKenna: "The time has come when the premier of New Brunswick should be prepared to give up his family allowance cheque so that his next door neighbour who is poor will receive twice as much money". Is that your opinion, Mr. Leader of the Opposition?

An hon. member: No, no.

An hon. member: Any other questions?

Mr. Paul Martin (LaSalle—Émard): I am delighted to hear that you are following the Liberal leader in New Brunswick. It is not going to be very long before you are going to be following the federal Liberal leader in this House.

[*Translation*]

Mr. Speaker, my question is directed to the Minister of Finance. The government's economic policies during the past seven years can be summarized as follows: no training programs, cuts in research and development, and no adjustment measures for workers who lose their jobs. The budget does absolutely nothing to correct this situation. Anti-inflationary policies alone are not enough.

How can the government reconcile this hands-off policy with the need for a thorough restructuring of the Canadian economy?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member had listened to the budget and, more important, read the budget, he would recognize that there are a lot of measures in there that will improve the competitiveness and will improve the confidence of the manufacturing and processing sector, a sector that has been the hardest hit during this recession and during the industrial restructuring that is going on.

There are a number of measures incorporated in the budget, from the improvement of capital cost allowance to lower income tax, to improved research and development, to new venture capital, to measures for small business. All of these things are going to have a very positive effect and it now puts Canada in a competitive position to attract investment, not only to upgrade and to modernize, but to create new manufacturing and processing activities.

Mr. Paul Martin (LaSalle—Émard): A supplementary, Mr. Speaker.

This budget is tokenism and the time for tokenism is over. What the minister is saying is that we can meet the European, the Asian and the American challenge to our industrial base, to literally hundreds of devastated Canadian communities, with a budget that simply confirms the economic lunacy of the last seven years.

Retraining, lip service, R and D, a drop in the bucket, adjustment measures, nothing. My question is: Who in heaven's name do you think you are kidding?

Mr. Speaker: I would ask hon. members, in spite of their enthusiasm, to not address their questions directly to the minister. They should come through the Chair.

Mr. Martin: Mr. Speaker, you are right. The way these people answer questions, I should have put them to you not through you.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance.

Yesterday's budget abandoned pay equity for women, abandoned universality and abandoned the unemployed in this country. A budget that starts out by accepting 1.5 million unemployed in this country and offering nothing to them is a failure right from the beginning.

Unemployment costs this country $30 billion a year and today we learned that UI payments alone went up by 34 per cent this year.

The Minister of Finance had choices. Why did he make the choice to retain the $1 billion business lunch deduction for those who have money and not take that $1 billion and put it into job creation to get Canadians working again?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I know the New Democratic Party is a party that is anti-business and I know that it would like to have scrapped the capital gains tax as well.

I have to remind the hon. member that we believe that the capital gains exemption and benefits to the business community are appropriate measures to encourage investment in business. The capital gains tax, which the hon. member is adamantly opposed to, is a measure that encourages investment and encourages risk-taking. This party and this government are going to continue to support those measures.

Hon. Audrey McLaughlin (Yukon): A supplementary, Mr. Speaker.

Clearly this government was not prepared to make choices in terms of creating jobs, but preferred to make a choice to keep the tax loopholes there for the rich.

[*Translation*]

The main tax relief contained in the Budget will give six times as much money to people who earn $100,000 as it does to people who earn only $30,000. Why introduce a tax measure that will only make the rich richer? Is that fair and equitable?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member would read the budget, she would learn that some 500,000 new jobs will be created by the end of this year. In the period 1984-88, they laughed when we said we would create 1 million new jobs and we created 1.5 million, and we will do it again. We will do it the proper way, not by adding to the burden of taxation and the burden of the deficit.

• (1430)

In this budget we cut spending, we cut taxes, and we cut the deficit. We are going to create a positive environment for investment and for job creation not only for today but indeed in the future.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I would like to raise one of the promises the government has made on several occasions. The minister today is making another promise to the unemployed. What the unemployed would like is for the minister to do something and get some jobs going in this country.

Today the Minister of National Health and Welfare is quoted as saying: "I have the privilege on day care as I had with many other issues like VIA Rail to be the killer".

My question is for the Prime Minister. His party made an election promise of a national child care program. There was nothing in the budget to say that the national child care program was gone. Will the Prime Minister stand today in this House and tell Canadian people that his promise of a national child care program is dead?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I would like first to apologize for two words I used this morning.

Sometimes when I use English as a second language I can make a mistake and I did. Of course the word "privilege" in French can mean that it is an obligation. It is in that respect that I used it. On the word "killer", of course I never killed anybody and I would not kill anything either. That is what I meant when I used those words.

Second, in terms of day care or child care we had a choice as a government. I had the choice myself of dealing with the day care issue on one side or trying to deal with the major problem of child poverty which has been raised by the hon. member and many other members in the House.

This is in the action plan that we will unfold later in the month dealing with all the problems of children in society who face abuse, violence and so on.

Canadians have told me, when I talk about that, that instead of continuing the question of day care or child care, they would prefer in light of the resources we have if we deal with the question of children at risk and poverty, as the Minister of Finance mentioned yesterday, and this is what I will do.

I am not saying that child care is not important. It is one of the important issues for children, but first we have to look at all children who face abuse, violence, sexual abuse and so on, and help poor children as we said we would yesterday.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am afraid the minister's explanation rings a little hollow.

In the same interview he went on to say that the polls showed people were more concerned about children living in poverty and children whose mental and physical health is threatened by family violence and sexual abuse.

I would like to ask the Minister of National Health and Welfare, whose mandate it is to defend all children, why he would create a situation where he is pitting abused and hungry children against children who legitimately need safe child care across this country? Why is he pitting child against child?

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I have to make a choice, because in our society, children are faced with situations like that.

Of course children need day care, but as the hon. member said herself, there are children who are exposed to sexual abuse and family violence. A two and a half year old child was killed the other night in Montreal, for no reason at all.

When a minister of health has choices to make, Canadians want him to have the courage to make them. I believe my cabinet colleagues fully support my contention, and I would hope the hon. member and all members of this House do so as well, that we must find ways, as soon as possible, to help children who are suffering in Canada for no good reason at all.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, listening to the polls does not take any courage.

I may refer the minister, who went on at lenght about what he wanted to do for children, to page 92 of his cabinet colleague's budget. If his government is doing so much for children, why will it to cut $1.5 billion in equalization payments next year, the very payments which affect the health and education of our children? Why is it making those cuts and why is it not defending its policy?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, equalization payments to the provinces have grown by 60 per cent since this government came into office, from $5.4 billion in 1984–85 to $8.5 billion in 1992–93, and it will grow to $9.2 billion in 1993–94.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is for the Minister of Finance.

This Conservative government introduced the surtax in 1986 and raised it twice following that. All told it has raised taxes 33 times. How can this Minister of Finance look Canadians in the eye and tell them that they are better off in 1992 and that he is saving them with a $2 tax break? It is absolutely insulting.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, one of the reasons we have had to increase taxes is to pay for the burden of debt inherited from our Liberal predecessors. Prior to 1984, prior to our taking office, the Liberal government of that day was spending $1.33 for every dollar's worth of revenue it was taking in. That could not be sustained. That had to be changed.

We had to start paying down the deficit. We had to start reducing the deficit and we had to start dealing with the burden of debt. That is exactly what we have been doing.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, this government is not intent on saving Canadians. At 11 per cent in the polls it is merely trying to save itself. Canadians are still taxed to death and no amount of sleight of hand or rhetoric can change that fact.

Why has the minister not made some meaningful and realistic changes that would help Canadians make ends meet?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Yes, Mr. Speaker, I agree with the hon. member that Canadians are overtaxed. We are doing everything in our power to reduce taxes. We are reducing government spending. We are reducing taxes and we are reducing the deficit.

For the information of the hon. member, with the impact of the child benefit package and the impact of the reduction in the surtax in 1993, a single parent with two children making $50,000 a year will have a benefit of $394; a two-earner family with two children will have a benefit of $240; and a single earner family with two children will have a saving of $280. I think that is very important. That will help provide clothing and put food on the table.

* * *

CHILD CARE

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the Minister of National Health and Welfare.

Over and over again this government mouths platitudes about the equality of women and its commitment to the equality of women. The minister knows full well that child care is the vehicle that would allow poor

families to break out of the poverty cycle and enter the paid work force. He has lots of data on that. Yet the minister said he had made his choices; he had choices, he said, and he chose to be the killer of child care.

My question for the minister is this: After promising in 1984, after promising in 1988 a national child care program, and after promising as little as a year ago a national child care program, why is the government breaking its commitment to the families of Canada, to the women of Canada, to the children of Canada? Abused children, battered children need child care just as all Canadian children do.

• (1440)

Hon. Benoît Bouchard (Minister of National Health and Welfare): First, Mr. Speaker, the member should say, because she knows it, that the government has put more than $1 billion a year into the child care system in Canada.

Second, she knows, because I am sure she read the budget, that we have increased the child care deduction by $4,000 to $5,000 for all children from zero and seven. We have increased it by $2,000 to $3,000 for all children from seven to fourteen.

I believe it is a good move. I am sure that she agrees, because she is talking about abuse and violence, with the efforts we are trying to make to give those children the chance to be better nurtured, to be better helped, to be better nourished. I believe and I hope that she agrees with that.

In other words, we deal with child care with the capacity we have to do that, but we also have to deal with the children who face day after day the reality of life. I challenge my friend to say that she disagrees with that kind of policy.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, the minister can challenge me all he likes. He is wrong.

This government talks about spending a billion dollars on child care. It also loses a billion dollars every year on the business entertainment expense allowance, which even allows for the deduction of escort services at the expense of the children of this country.

This is the end of a universal social program, the child benefit that the minister is talking about. Today the minister has killed child care. What is next? The old age pension or medicare?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, today we have made a choice and I expressed the choice to my friend. What she has to understand first is that the social policies are there to respond to the needs of Canadians. It is for this reason we have the social policies that are in place today and announced yesterday in the budget.

The health care policies answered a question of Canadians about health care. We do that and it will not change. We do exactly the same thing with senior citizens.

Today we have decided that to answer the problems of children we should use the money that we give to the rich but, my God, the NDP has asked me not to reallocate money for those who earn $250,000. What a miracle.

I want to give to poor families to care for their children. I hope that the saviours of the world will help me to do that.

* * *

THE BUDGET

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would like to get back to the Minister of Finance. In his budget the minister totally and completely abdicated responsibility to the unemployed.

Can the minister explain why he and his government have turned their back on the 1.5 million unemployed Canadians and the 2.5 Canadians on welfare? Can he explain to those people why he has relegated them to the trash heap?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, nobody has been relegated to the trash heap. We have created a climate of confidence, an improved climate of investment.

When we assumed office the hon. member's party left us with an unemployment rate of close to 12 per cent. It was not a crisis then.

I know that unemployment is too high. We are putting in place the fundamentals. Interest rates are down.

Inflation and the cost of doing business are down. We are improving the investment climate to help the restructuring process and to ensure that the companies engaged in manufacturing and processing will invest in Canada, will improve their facilities, and will make new investments that will create new jobs. That is why we are so confident that 500,000 new jobs will be created this year and a million jobs over the next four years.

Mr. John Nunziata (York South—Weston): Mr. Speaker, a lot of consolation that is to the unemployed Canadian today. This government has the moral responsibility to put those Canadians back to work. The minister says he is going to create half a million new jobs, yet he admits that the unemployment rate will remain as high as it is.

The government's only answer to the unemployed in this country is tough luck. The minister promised a realistic budget and unemployed Canadians are asking today what exactly is this minister's definition of reality. Is he so far out of touch with reality that he has totally ignored the pain and the suffering out there? Does he not realize that people are hurting? Why? I would like to ask the minister why he has not given some hope to the unemployed in Canada.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, with all due respect to the hon. member, this budget does give hope.

One only has to listen to the spokesmen for the Canadian Manufacturers' Association, the Business Council on National Issues, and the Canadian Federation of Independent Business.

They have indicated that with the fundamentals in place, with low inflation and with low interest rates, what we have to do is create a positive climate for investment so that new investment will take place to modernize, to upgrade, to encourage new investment, and to create new job opportunities, particularly in the processing and manufacturing sectors.

We have outlined five specific initiatives: the increase of the capital cost allowance; lower tax rates; improvements in venture capital; improvements in R and D; and reductions to withholding tax.

All of these are seen as positive moves which will create a climate of confidence and a ray of hope for those who are working today and those who are unemployed.

[*Translation*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of Finance. Yesterday the minister told Canadian women that Canada cannot afford to pay them as much as men. The minister said yesterday that regardless of the Human Rights Commission's decision, the government has no intention of paying a fair salary to 70,000 women who have struggled for eight years for a basic right. Why this discrimination? Why are women the victims of this government's unfair and ill-conceived policies?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, at the risk of sounding immodest, I would like to tell the hon. member that this government is very proud of what it has done for pay equity in Canada. In any event, I believe that this government is the first national government in Canada to do so, long before the Liberals and the provincial governments, and even all other governments in the world, if I am not mistaken. Not one of them acted as we did, giving pay equity as we did.

I will remind the hon. member that in recent years we gave nearly $500 million in catch-up payments and that we pay out $80 million a year for that.

The decision we made in the budget was to do what the provinces do and not be liable to pay for the past, for the Liberal regime. We are assuming our responsibilities for the future and that is what we are prepared to do. We believe in pay equity and that is what we will do for the future.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary question is for the same minister. The minister knows perfectly well that he is cheating Canadian women out of $1 billion.

Equality does not begin and end when this government says it does. During the last election the Prime Minister said the money was in the bank for pay equity.

I ask today: Why is the government budgeting now to pay its debt to Wall Street but wiping out its debt to women?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, after the most extensive study ever conducted in Canada on pay equity, we came to a proposal which was put to us to pay $370 million. We paid it and we consider that we have settled this account for the past.

* * *

PUBLIC SERVICE

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, my question is for the minister responsible for the Public Service. Canadians are concerned about reports that government workers are being mistreated by union leaders.

It has been reported that some abusive and self-serving union leaders continue to condone harassment of Public Service employees because of their political beliefs.

Will the minister assure this House and all Canadians that this government will not tolerate harassment of Public Service workers by union bullies?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I am aware that many Canadians have found profoundly disturbing activities alluded to by the hon. member that have been reported in the media.

However, our capacity to act is very limited because section 8(1) of the Public Service Staff Relations Act prohibits us from interfering.

• (1450)

However, I am glad to tell the hon. member that there is at least one union local that has claimed that the alliance has committed an unfair labour practice and is challenging the right of the Public Service Alliance of Canada to impose these kinds of actions. We will be following that very carefully.

* * *

THE BUDGET

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Finance.

My community of Windsor has 21.5 per cent unemployed as we stand here in this House of Commons today. The same tragic, senseless human waste is there right across this country.

I want to ask the Minister of Finance why it is that his budget has paid so little attention to the plight of these 1.5 million jobless across this country and at the same time has left unfair and unacceptable tax loopholes still in place?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is tragic that the unemployment levels in the hon. member's area are as high as they are. I regret that very much.

Obviously, his area is a manufacturing and processing sector and we have undertaken a number of initiatives which will indeed strengthen the manufacturing and processing sector, not only strengthen the viability, but indeed encourage the investment opportunities in that particular area.

The hon. member knows very well that capital these days is very mobile in a globalized economy. What Canada has to do is ensure that it has an appropriate environment and a competitive environment to allow that expansion and that new investment to take place.

I ask the hon. member again to reread that section dealing with the manufacturing and processing sector. I am sure he will find that there are a lot of positive elements in there. It has generated a great deal of positive response from that particular community and for that I am very grateful.

Mr. Steven W. Langdon (Essex—Windsor): In fact, Mr. Speaker, I read those sections very carefully because they represent yet another new tax loophole to the manufacturing sector in this country, an increase in the capital cost allowance, which nobody has ever indicated increases investment any place in the world.

I want to ask this minister point blank: Why has this minister left in place in our tax system a situation that permits corporations to pay for the cost of escort services for their clients and write it off against the taxpayers all across this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I have heard it all. I do not know where the hon. member has been. In the pre-budget consultations I travelled right across this country. At every meeting that I attended there was a

request for an improvement in the capital cost allowance.

If the hon. member does not believe that I will bring him lots of evidence to prove it.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, yesterday the Minister of Finance announced that tax incentives for research and development would be improved.

Does this mean that federal tax credits will be harmonized with Quebec's so that Quebec businesses will no longer be penalized for their research and development efforts, as requested by the Quebec minister of finance at the last first ministers' conference?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, what we propose to do is to improve the administration of the research and development incentives with industry and to provide further funding for that purpose.

There have been some difficulties in the administration of that. We will be sitting down with industry officials to try to work out the difficulties and the obstacles that have been in place so that the industry can truly take advantage of the R and D incentives that were provided for in previous budgets and indeed in this budget.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, the Minister of Finance knows perfectly well that by obliging Quebec businesses to subtract the R and D tax credits they receive from the Quebec government from their deductions when calculating federal tax credits, the federal government is actually taxing 39 per cent of the tax credits granted by Quebec to its research and development sector. That is what the finance minister wanted to know. Is the federal government prepared to stop requiring businesses to deduct what they receive from Quebec when they ask for federal deductions, as is the case in Ontario?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as the hon. member knows, there are several key initiatives in this budget that will improve the manufacturing and processing sector and particularly the opportunities to use research and development incentives.

I am pleased to note the provincial minister of finance for the province of Quebec, Mr. Levesque, has expressed a very great deal of satisfaction with the budget. It would seem to me he likes the direction and the thrust of the budget.

I should remind the hon. member that several other provinces are very much supportive of the initiative we have taken in this budget. I hope the hon. member will support it as well.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my question is for the Minister of Finance. The government's plan to privatize the Canada Student Loans Program is a slap in the face of Canadian students. Many will be seriously hurt and their chances of obtaining an education will be seriously damaged.

Why does the minister feel it is necessary to hide behind the bankers? Why is he getting the bankers to do his dirty work? Why does the minister not put an end to this masquerade and give students the support they need?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, there are several initiatives in this budget that will help the students in terms of the student loans program.

My colleague, the Secretary of State, will be undertaking negotiations with the bank to improve the administration of that, with a view to removing the 3 per cent administration fee. I am sure the hon. member will be pleased with that.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, essentially the minister is saying: "Don't call us as a government; call your banker if you want an education".

We have a serious problem in this country. We have 400,000 young Canadians on the unemployment rolls of this country. That is a problem we cannot sweep under the carpet. That is what the government is trying to do with this budget. There is nothing here for young people. They have been condemned to chronic unemployment and the government refuses to act.

When will the minister and his colleagues wake up to the fact that no plans for youth means no plans for the future?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): There are several initiatives in this budget that will indeed help the youth in their education. I refer him to the budget. There are a number of initiatives with respect to the education credit.

If the hon. member has any other specific suggestions, I would be very pleased to receive them.

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Finance.

Yesterday's budget on the one hand provided access to home ownership for Canadians with savings, with which we agree. On the other hand, the government has abandoned its commitment to affordable social housing. This budget cuts funds for affordable housing by 50 per cent in three years and is eliminating some 12,000 affordable units in the next two years.

Why has this government relegated over one million Canadians, including 500,000 children living in inadequate shelter, into permanent poverty with no hope of ever being able to own a home and with no hope of ever finding adequate shelter?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I thought my colleague opposite would be congratulating the Minister of Finance and this government for some of the excellent things they did for housing.

Instead, it gives me an opportunity to point out to him and to reassure people who are dependent on social housing that we are really increasing the amount of money spent on social housing this year by $70 million. There is $2 billion spent approximately each year on social housing, which comes to $10 billion over the next five years.

This government has no apologies to make in that regard. The hon. member knows there are many other programs that are more targeted and more appropriate to those in core need than the co-op program, although this was in many ways an excellent program.

• (1500)

Mr. Joe Fontana (London East): Mr. Speaker, with a single stroke of a pen this government has terminated the co-op housing program, to which the minister just referred, a fully targeted program which has provided lower and middle income groups secure and affordable housing for 20 years. Currently 164,000 Canadians are on the waiting list for co-ops. Their hopes of ever getting adequate and affordable shelter have been crushed by this government.

Last December this minister promised the co-op housing people $6 million for their co-op housing. Yesterday, he completely cancelled the program.

I ask this minister, and this finance minister, will they reinstitute this program that has served Canadians so well in the past 20 years?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, no, we will not at this time. There are other programs that are more directly appropriate for people who are in core need, as the hon. member knows.

He should remember, as well, that when it comes to social housing, this government has consistently spent more money each year on social housing and we are continuing to do so. I remind him that the last time his party was in office in 1983-84, $1.2 billion was spent on social housing. We have spent $100 million plus each year since that time and our commitment continues.

* * *

SCIENCE COUNCIL OF CANADA

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is for the Prime Minister.

The Science Council has been killed under orders from the Prime Minister's Office. It cannot be because of costs, because it costs so little. Can it be, I ask through you, Mr. Speaker, that the Science Council would look at the so-called prosperity agenda which promised more training, more education, more technology, more research and development, and identify it for what it is, a crock and a scam?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker. In point of fact, as my hon. friend might perhaps know, the Science Council has, of course, done very good work. In the last number of years pursuant to

consultations with universities, think-tanks, the private sector and various provincial governments, a new organization, the National Advisory Board on Science and Technology, has been created. Yes, indeed, independent. It is that board which has assumed more and more of the responsibilities which previously in some areas had been assumed by the Science Council. It was felt by the government that while all of these agencies clearly had a certain value that this was the appropriate—

Mr. McCurdy: They were just too critical.

Mr. Mulroney: My friend says they were just too critical of us. They were not critical at all. They were supporting the policies of the government. They thought that the government had taken the proper move in creating the National Advisory Board on Science and Technology which created, for example, the Centres of Excellence, some hundreds of millions of dollars that have been distributed into universities across Canada.

An hon. member: Scholarships.

Mr. Mulroney: The Canada Scholarships Program which provides for 10,000 new scholarships in science and technology to be given to Canadian students across Canada. One of the conditions is that 50 per cent of all of those scholarships must be held by women.

* * *

THE BUDGET

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, the Minister of Finance is quoted in the media today as calling Ottawa a fat city. This is a gross insult to the people of Ottawa. It is a gross insult to any city.

Yesterday the budget eliminated over 20 agencies that presently employ hundreds of people. I want to ask the minister if he conducted any studies that justify the closure of these agencies and if not, will he put an immediate stop to this harsh and unfair insult to the taxpayers of this region?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I never referred to Ottawa as fat city. If the hon. member has the quote, I would like to see it, because I cannot recall ever making it. I would certainly like to see it.

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the members' attention the presence in the gallery of the Hon. Karl Erik Olsson, Minister of Agriculture from Sweden.

Some hon. members: Hear, hear.

* * *

PRIVILEGE

LEGISLATIVE COMMITTEE H

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I rise today on a question of privilege.

On February 18 the members of Legislative Committee H apparently voted to adjourn consideration of Bill C-203, an act to amend the Criminal Code concerning terminally ill persons *sine die*.

This extremely unusual procedure has effectively meant that the bill is dead and will not be brought back to the House of Commons. This action on the part of the legislative committee has breached the privileges of the House of Commons and of individual members. It constitutes contempt of the House.

In addition to setting a dangerous precedent, it also flies in the face of repeated commitments to the empowerment of members. Under the Standing Orders of the House, bills that receive second reading are referred to a legislative committee for study and consideration.

It is important to appreciate the purpose and significance of this stage in the legislative proceedings. The sixth edition of Beauchesne's describes legislative committees as follows, in citation 759(3):

> Legislative committees are appointed by the House to consider specific bills and amendments thereto.

It also sets out the function of a legislative committee in citation 798:

> The function of a legislative committee is to consider the bill for which it was created, and to report the bill with or without amendment to the House.

This point is also made in the fifth edition at citation 763:

> The function of a committee on a bill is to go through the text of the bill clause by clause and, if necessary, word by word, with a view to making such amendments in it as may seem likely to render it more generally acceptable.

The fifth edition also states in citation 764(1):

> A committee is bound by the decision of the House, given on second reading, in favour of the bill, and should not, therefore, amend the bill in a manner destructive of this principle.

It goes on in citation 764(2):

> The committee may so change the provisions of the bill that when it is reported to the House it is in substance a bill other than that which was referred. A committee may negative every clause and substitute new clauses, if relevant to the bill as read a second time.

It is also provided in citation 754:

> (1) Every public bill, when it is read a second time, is referred to a committee before any amendments are made to it.
>
> (2) To 'commit' a bill means to refer it to a committee, where it is to be considered and reported.

It should be noted that citation 885 of the fifth edition states:

> (1) It is the duty of every committee to report to the House a bill that has been committed to them and not, through long adjournments, to withhold from the House the result of their proceedings.
>
> (2) If a committee does not report back a bill, the House should take cognizance of the matter.

Although these statements are made in the context of private bills, it is submitted that they are equally applicable to any bills, public or private.

The authority for this statement is page 614 of Bourinot's *Parliamentary Procedure and Practice*, fourth edition, where the principles are set forth generally:

> "It is the duty of every committee to report to the House the bill that has been committed to them," says the best English authority, "and not by long adjournments, or by an informal discontinuance of their sittings to withhold from the House the result of their proceedings. If any attempt of this nature be made to defeat a bill, the House will interfere to prevent it."

The fundamental point is that a bill having received second reading has been approved in principle by the House. The purpose of referring it to a committee is to iron out the details. That is why in the words of Standing Order 113(5), legislative committees are given a power "to send for officials—whom the committee deems to be competent to appear as witnesses on technical matters" and so forth.

The committee has to consider the bill, but it also has a duty. It has a duty to report back the bill. It cannot ignore the bill or do nothing. The committee is required to report back to the House. It can make amendments. It can even change the bill significantly, but it must return the bill to the House. This is clear from the wording of Standing Order 113(5).

• (1510)

> Any legislative committee shall be empowered to examine and enquire into the bills referred to it by the House, to report the same with or without amendments—

This is consistent with parliamentary practice as far back as Bourinot, whose fourth edition 1916 sets out the principle clearly at pages 520–521:

> Every committee on a public bill is bound to report thereon. The house alone has power to prevent its passage or to order its withdrawal.

The 21st edition of Erskine May at page 654 is to a similar effect:

> A select committee to which a bill has been committed has no power to put an end to the bill—

Applying those general principles to the present case, the members of Legislative Committee H decided to adjourn consideration of Bill C–203 *sine die*. I understand that this means it cannot be brought back for consideration, either by the chairman or by the members of the committee. To all intents and purposes, this means that the committee has chosen not to report the bill back to the House. The members of the House who supported this motion have thus prevented the House of Commons from further considering a bill that was approved in principle by the same House.

This is far worse than if they had reported the bill back with amendments, even if these had significantly changed the bill. At least in that case, the members of the House could have proposed amendments at report stage and the bill could have been considered and disposed of by the House itself.

Legislative committees are supposed to assist the House, not to substitute their own judgment for that of the House. The actions of the legislative committee have prevented the House from voting on the bill; either approving it or voting it down. The subject matter of Bill C–203 is very difficult, both morally and legally, but it is unconscionable that a committee has taken away the right of the House to decide that matter.

This is a violation of all tradition and it flies in the face of the role and function of legislative committees. But it is also particularly important to remember that Bill C-203 is a private member's bill. Much has been said lately about empowering individual members of Parliament. One of the ways this can be done is through Private Members' Business.

Since the McGrath committee's report, various procedural changes have been made to enhance the opportunities and chances of success for private members' bills. It has been said that private members' bills belong to all members and to the House: all members have an interest in their progress through the various legislative stages. Unlike a government measure, which the government can control and bring forward as and when it wishes, private members' bills that are votable are guaranteed an opportunity to be debated. This right is hollow, however, if the bill gets stuck in a committee so that the House never has a chance to consider it again.

I would like to quote another citation from Erskine May's 21st edition, page 600.

> For a committee to endeavour to dispose of a bill which has been committed to it by adjourning *sine die*, or to some distant day, would be inconsistent with the duty imposed on the committee by the order of the House committing the bill to the committee. Nor can a committee relieve itself from the obligation of considering the bills allotted to it and reporting them to the House by adjourning further proceedings on a particular bill *sine die*—

For all these reasons, I would submit that Legislative Committee H is in contempt of the House of Commons, and accordingly my privileges as a member and the privileges of this House have been breached.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, since this is my particular private members' bill, not only have the privileges of all members been breached by the committee not returning the bill to the House to have it considered by the entire House, but it certainly breaches mine as the author of the private members' bill.

In the spirit of the reforms of 1978-79 and 1984, the members are breaching the intent of the House of Commons, that in fact the public should have access to the House of Commons through private members and through the private members' process. This will in fact bring members' bills through to a final vote in the House of Commons.

I too would like to quote on page 600 of the 21st edition of Erskine May which states:

> For a committee to endeavour to dispose of a bill which has been committed to it by adjourning *sine die*, or to some distant day, would be inconsistent with the duty imposed on the committee by the order of the House committing the bill to the committee. Nor can a committee relieve itself from the obligation of considering the bills allotted to it and reporting them to the House by adjourning further proceedings on a particular bill *sine die*, or to some distant day—

Further, page 607 of Erskine May states that:

> It is the duty of a standing committee, as of all committees, to give the matters referred to it due and sufficient consideration. The chairman of a standing committee will not therefore normally accept motions in pursuance of which the committee would conclude its deliberations before it has gone through the bill committed to it.

This bill passed unanimously through the House of Commons. There was not one dissenting vote against it and that seldom happens in itself. Surely the House has the right to have the bill considered and returned.

I know you have no knowledge of committees as such, but this particular committee in fact heard 25 submissions from groups across Canada, and they did not even have an opportunity to discuss it. They did not even start the discussion let alone go through the bill clause by clause, or go through amendments—excellent amendments—suggested by many of those who appeared before the committee.

This is a cost of thousands of dollars to us in the House of Commons and to the taxpayers of Canada. We make a farce of our whole process and of the whole presence of private members in this House of Commons when the whole of our country is calling for a concern that private members' votes should be put in a non-partisan way. Issues of controversy like this should in fact be put for private members to vote according to their conscience.

That kind of reform is called for and it seems a shame that some members do not understand this. I know the chairman did not do this through any direct intention. Perhaps he did not recognize his responsibilities to you and the House of Commons according to the traditions of the House of Commons as outlined by myself today.

So I would urge you to consider this matter. Then perhaps a motion could be presented to have the matter considered forthwith that the committee should report back to you according to the intention of this House of Commons.

The Speaker has ruled on many occasions that it is not competent for the Speaker to exercise procedural control over the committees. Committees are and must remain masters of their own procedure.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I was present at the committee at the time in question. I just want to very briefly bring two things to the attention of the Speaker.

One, of course, is that the Erskine May precedent or rule that has been brought to your attention is superseded by our own traditions here in Canada as demonstrated in citation 492, page 354 of Beauchesne's fourth edition. It explains quite clearly that the *sine die* rule has been utilized here in Canada in the past.

Nevertheless, and probably more fundamentally, the ruling in question by the chairman at that particular time was not contested in any way, shape or form, to my knowledge, when it was handed down by the chair of the committee.

That is all I have to say at this time, except to indicate that I and several other members of the committee did not receive any prior notification that this item was going to be raised today.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I do not want to take much time on this either, and I apologize to members opposite. I want to clearly indicate to them I had no warning of this coming up myself on a day that is dedicated to the budget debate. So I want to be very quick.

My first point is that I think the argument has already been made regarding Erskine May and whether or not that applies in this situation. I do not believe it does. I believe it has been superseded by our own Standing Orders and by our own practices.

Second, you cannot put a question to a committee that you cannot answer. For example to make my point, here in committee of the whole the chairman always says "Shall I rise and report the bill?" Now, if the House were to say no, obviously they could not rise and report the bill.

• (1520)

We are in precisely the same circumstances here. I think the committee did act within its mandate. Citation 760 of Beauchesne's sixth edition, subsection (3) states:

I do not want to take any more time of the House. I think the argument is very clear.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, to identify myself in this debate, I am the chairman of this legislative committee. I say I am the chairman because to my knowledge the committee has not formally been disbanded.

I take notice of the remarks of the hon. member who spoke earlier from the other side of the House. I would point out to the Chair, in making his judgment, it is not my intent here to take sides one way or the other. I simply give this information to the Chair and to all members for their consideration.

I believe the duty of the Chair is to prepare himself or herself for all possible contingencies. To that end, I asked the Clerk of the House to research what my responsibilities would be as the chairman in the event that certain scenarios unfolded.

As it turned out, I was informed that one of the motions made was perfectly acceptable in terms of the rules of the committees and of the House and I therefore proceeded on that basis.

The chairman of a legislative committee is always in the hands of the members of the committee. If there was an action on my part which was improper then I beg the Chair to make a ruling to that effect so that we can proceed as it would be directed by the House of Commons.

Mr. Speaker: I do not need to hear further argument. I am sorry, the hon. member for Kamloops.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I do not want to prolong the discussion, but I do want to acknowledge the fact that the hon. member for Edmonton—Strathcona, who has raised this issue, is a dedicated member of the Private Members' Business and raises a very critical issue.

In light of the fact that we want to get on with the budget debate, would it be possible to request to you, Mr. Speaker, that we set aside the consideration of this issue for another moment in order to hear further interventions. Most of us did not know this was coming

today. It is a very serious issue and I would hate to think we would seek a ruling on this without further input.

SPEAKER'S RULING

Mr. Speaker: I am going to rule on it now. I am fully aware of the implications of this particular situation. Some hon. members have said they had no knowledge this was coming before the House. I hope all hon. members realize that when I receive a question of privilege, that is the privilege of the member applying until the member has risen. I know there was no suggestion the Chair should have communicated with members, but I hope all hon. members will know it would have been quite improper for the Chair to do so.

I compliment the hon. member for Edmonton—Strathcona on his argument and I compliment him on how concise it was. It was brief and to the point. I have listened with great care to the hon. member for Fraser Valley West who of course has a very strong personal interest in this particular matter.

The first thing I have to look at, and the hon. parliamentary secretary mentioned it, is that it is not for the Chair to get involved in matters within a committee unless there is something so egregious and so outrageous that it transcends the normal bounds and amounts to a contempt of the House or, in some extraordinary way, a breach of the privilege of an hon. member and this does not.

First of all, does it affect any hon. members' capacity to carry on their duties as members of the House of Commons? The answer to that is no. All members can carry on their duties as members of the House of Commons. The second thing is whether there is some other procedural approach that might be taken to deal with this matter in front of the whole House, as my hon. friend from Kamloops has suggested. Yes, there is. A motion can be put down.

I go back very briefly to a citation which the hon. member for Edmonton—Strathcona cited. I think I have the exact words: "The House should take cognizance of the matter".

That is really where we are. If the House wishes to take cognizance of this, if the House wishes to exercise its authority, then of course it may do so. But in my view, it would not be correct or proper at the present time for the Speaker to intervene.

* * *

[*Translation*]

POINT OF ORDER

REPORT OF THE BEAUDOIN-DOBBIE COMMITTEE

Hon. Jean Lapierre (Shefford): Mr. Speaker, I wish to raise a point of order because I have just been informed that Friday at noon, the Beaudoin-Dobbie committee will table its report and hold a press conference or something like that. I have also been informed that starting at 9.30 a.m., journalists will have access to copies of the report before it is actually tabled in the House.

I know that most of my colleagues have had the privilege and the opportunity to be briefed on most of what the report contains within their own caucuses. Members of the bloc, the members of the Reform Party of Canada and the independents did not enjoy the same privilege. Perhaps it would be appropriate to follow our usual practice, as the Minister of Finance did for his budget yesterday, which is to allow the critics to be briefed or at least let them have as much information as the members of the press.

Mr. Speaker, I know you are here to maintain the good order of this House. Perhaps you could ask the parliamentary secretary to check into this, but I would appreciate it if we could follow our usual practice, since unlike other caucuses, we did not have a chance to be briefed. I think the real battle will be about substance, not procedure.

Mrs. Venne: The whole thing is insulting.

Mr. Speaker: I appreciate the problems of the hon. member and a number of other members, but the decision to have a lockup is made by the committee, not by the government. Since it is not a decision of this House, it is not up to me to intervene. I am sorry about the situation this has created for the hon. member, but I have no solution.

The hon. member, very briefly.

Mr. Lapierre: Mr. Speaker, in that case I would like to reserve the right to raise a question of privilege. Meanwhile you said it was a decision by the committee, but we all know that decisions are often made by the majority on

the committee. I wonder whether members of the press now have more privileges than members of this House. That is my question.

[*English*]

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member raises a concern that has some interest and some legitimacy.

May I suggest that he raise it with the co-chairs of the committee and see if they cannot do something to accommodate him.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I believe that in the weeks to come our country will be entering a very important phase, and the point raised by the hon. member is certainly a valid one.

I think the parliamentary secretary just made a very intelligent suggestion. First, to submit to the joint chairmen what the hon. member just said, bearing in mind that the Chair said it has no responsibility in that respect. Certainly the fact that two or three of us are rising in the House shows how important it is to proceed in an orderly fashion.

To me it seems incredible that some people should get this information in advance, if we agree that Parliament is supreme and all parliamentarians, irrespective of the opinions of the various political parties, are equal. As far as I am concerned, I would appreciate it very much if what we are saying now were carefully considered by the government, by the chairmen, the joint chairmen. I hope the hon. member's suggestion will meet with the approval of those who are listening or who should be listening to us at this time.

• (1530)

I agree it is not up to the Chair to dictate certain guidelines in this respect, but I wish to thank you for allowing us to add our own comments and letting us go on at some length so that the message will be heard.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to several petitions.

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

* * *

INTERPARLIAMENTARY DELEGATIONS

ASIA PACIFIC PARLIAMENTARIANS FORUM FOR EDUCATIONAL, CULTURAL AND ECONOMIC CO-OPERATION

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House the report on the Asia Pacific Parliamentarians Forum for Educational, Cultural and Economic Co-Operation held in Canberra, Australia, on December 10 and December 11, 1991.

This is a very important conference that is attempting to keep the wider Pacific basin an open option in keeping with APEC and PECC work over the past years. This is an attempt to unite the parliaments of the Pacific with common understandings, particularly as they relate to the tremendous opportunities for growth of trade.

The United States, our major trading partner, is losing precedence to our Asian partners: Japan, Korea, China, Taiwan. The entire region is a region that is of extremely increasing importance to the Parliament of Canada. Therefore, this interparliamentary organization needs to find new precedence among our parliamentary organizations.

Along with the member for Saint-Denis, having observed this first hand, we feel very strongly that his report, which will follow, and this report must be taken very seriously.

Canada must join this organization and be an active part or we will be excluded as we have been excluded from the European Economic Community.

The timing is very important. This is a very significant report. We urge you to study it carefully.

HEADS OF DELEGATIONS MEETING OF THE PARLIAMENTARY ASSEMBLY OF THE CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE

Hon. John Bosley (Don Valley West): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House the report of the Heads of Delegations Meeting of the Parliamentary Assembly of the Conference on Security and Co-Operation in Europe on January 13, 1992 in Madrid, Spain.

I will not read a précis of the report, under the circumstances, knowing that the hon. Leader of the Opposition is waiting to make his speech.

* * *

PETITIONS

ARROW AIRLINES CRASH

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36, I have the honour and duty to present petitions on behalf of many residents of Canada who are petitioning regarding the tragic crash of the Arrow Air DC-8 at Gander, Newfoundland on December 12, 1985.

The petitioners state that the Canadian government's accident investigation into the tragic crash did not establish the cause and whereas no proper public inquiry—

Mr. Speaker: The hon. member knows that it is not appropriate to get into a debate. What the House wants to hear is what is the petition, what is the prayer. I am sure the hon. member can finish that off shortly.

Mr. Flis: Mr. Speaker, because of the seriousness of this petition I am reading it verbatim.

Mr. Speaker: The petition may be read verbatim, but I think the hon. member, whether he is reading the preamble or not, is getting into argument.

The difficulty in this case is that because we cannot hear any other member on the presentation of a petition, I am asked by all hon. members to be fairly strict about limiting the amount of debate that goes with it. What the hon. member ought to do—and I would think that the petition would show this—is let the House know what it is that the petitioners are asking for. We do have to limit debate. After all, all petitions of course could be considered serious matters.

Mr. Flis: Mr. Speaker, the families of the victims desperately want to learn the complete circumstances of the deaths of 256 loved ones, and Canada has yet to fulfil its international obligations to investigate fully the worst aircraft crash in Canadian history.

The petitioners humbly pray and call upon Parliament to urge the government to appoint a royal commission to ascertain, evaluate and report on the investigation of the Gander crash with particular attention to deliberate or inadvertent attempts that may have been made to obscure the circumstances.

I would like to draw to the attention of this House that I received a similar petition signed by citizens of the United States and by many of the parents of the soldiers who were killed in this crash. I cannot present their petition in this House because they are not Canadian citizens.

Therefore, I did send their petitions directly to the Prime Minister. Hopefully, with the Prime Minister's intervention and that of the Minister of Transport, the government will see fit to appoint a royal commission to find out once and for all the cause of this crash. Was there any cover-up or not?

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 158 will be answered today.

[*Text*]

Question No. 158—**Mr. Rideout:**

> With respect to the recapture and trial of Allan Légère, (*a*) what were the total costs of the (i) manhunt (ii) trial (*b*) what proportions of these costs were paid by the federal and provincial governments (*c*) what was the cost of the RCMP DNA testing?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I am informed by the Department of Justice and the Ministry of the Solicitor General of Canada as follows:

The Department of Justice was not involved in the Allan Légère trial since it involved the provincial responsibilities on administration of justice. All questions concerning the costs of the trial would have to be directed to the provincial authorities in New Brunswick.

Royal Canadian Mounted Police

(*a*) (i) It is difficult to calculate the total cost of the manhunt. The RCMP was investigating a number of murders and other serious crimes in the Miramichi, and other areas, in which Allan Légère was one suspect. Certain costs, such as costs for overtime and travel, were collected which were directly attributable to the escape and the recapture of Allan Légère. These costs totalled $110,000. Not included in this figure are costs associated with unsolved crimes, sightings of Allan Légère and subsequent investigations and the salary costs of investigators.

(ii) The trial costs have been identified as being approximately $314,000. This represents the cost of six (6) Provincial Police Positions for courtroom security and escort duties, and the costs associated with the DNA analysis. No other trial costs were captured.

(*b*) Both the costs of the manhunt and the trial, as identified above, will be divided between the federal and provincial governments, with 30 per cent of the costs charged to the former and 70 per cent to the latter. The costs of the DNA analysis will be charged 100 per cent to the federal government.

(*c*) The cost of the RCMP DNA testing was $63,000. This includes the human resource expense as well as travel.

[*English*]

Mr. Speaker: The question as enumerated by the parliamentary secretary has been answered.

Mr. Cooper: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I would ask you to be so kind as to call Notice of Motion for the Production of Papers P–1, in the name of the hon. member for Winnipeg North Centre.

That an Order of the House do issue for copies of all correspondence, briefs and reports relating to the visit of government officials in January 1991 to Europe to discuss Canada's treatment of native peoples.

Mr. Cooper: This notice of motion is acceptable to the government and the documents are tabled immediately.

Motion agreed to.

Mr. Cooper: I ask that the other Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, February 25, consideration of the motion of Mr. Mazankowski that this House approves in general the budgetary policy of the government.

Hon. Herb Gray (Windsor West): Mr. Speaker, the budget presented last night is a budget of illusion. It substitutes smoke and mirrors and the appearance of activity for the action that is needed to help the Canadian economy and millions of Canadians battered and bruised by the policies of this government to get up off the ground and back on their feet.

For example, in this budget the minister holds out the promise of a tax cut to Canadians reeling under the effects of the 33 separate tax increases imposed on them by this government since it took office in 1984, including the impact of the GST.

When the smoke clears away, when the government stops moving the shells around and Canadians look underneath, what do they see? For Canadians earning below the poverty line a salary of $15,000 a year for themselves and their families including two children,

what does this minister offer? A tax cut of $2 this year. If we look at an average family earning $40,000 a year, what does this minister offer it by way of a tax cut? $27 a year.

If we look at the table in the government's own Budget Papers, guess who gets the biggest tax cut of all this year of $111? It is a family earning $100,000 a year. It is not surprising because this is typical of Tory tax reform.

Also, if we look at the minister's table, strangely enough the single taxpayer gets a bigger cut than an entire family. That is real "Mazanomics", to use a word I saw in some of the press coverage.

• (1540)

Looking at this $2 cut for a family below the poverty line, no wonder I have called the Minister of Finance "Mr. Generosity" and "Two Buck" or better still "Two Loonie Maz".

The government talks of its proposed new child benefits program, but let us look at this proposed program after the smoke of the budget speech clears away. What do we see? The average family gains very little from this proposal. In fact a family with an annual income of $40,000 will receive an added annual benefit of only $44. In three years the value of the benefit will decrease by 10 per cent and within a decade the help will be gone for most families because this benefit is not indexed for inflation.

The government's proposal will put $2.1 billion back into the system over a five-year period, starting January 1, 1993. The Minister of Finance must hope that Canadians have forgotten that between 1986 and 1991 the Conservative government took more than $3.5 billion out of the child benefit system. This proposed child benefit program still fails to put back in the hands of Canadian families everything this government took away from them only between 1986 and 1991.

By the way, nothing in the proposed child benefit program addresses the profound need for child care facilities. In fact the government's drum beating for this new program hides the fact that the government has apparently abandoned its pledge of a national child care program to provide facilities to look after the children of parents who are at work.

Ms. Copps: Child care killer.

Mr. Gray (Windsor West): Mr. Speaker, the government has proposed the increase of its child care expense deduction by $1,000, but it is important to note that this deduction provides absolutely no benefit to families who do not earn enough money to pay income tax. Also, this program will not go into effect for almost a full year. If there are any additional benefits in it, they will not be available to Canadian families right now when they are suffering from the effects of this very serious government induced recession.

In the budget it is true the government did adopt the Liberal proposal, although not in the exact same detail, to allow the use of RRSP funds to buy homes. The government has already accepted our proposal to lower the down payment required to buy a home.

When the Tory drum beat stops and the smoke clears away and they stop moving the shells around, what do we see? The Conservatives are cancelling the co-operative housing program. They are cutting back on the growth in the funds for Canada Mortgage and Housing to provide for other programs of low income housing. The RRSP and low down payment programs, we expect to be useful, but they do nothing for people who cannot afford to put money in RRSPs and who cannot afford even a 5 per cent down payment. The budget makes it harder and not easier for those Canadians, low income Canadians, tens of thousands of them, to be able to get decent, affordable housing.

The budget does have some interesting words, fine words about education and training. Again, when the smoke clears away, there is a lot less there than meets the eye. The budget talks about increasing the student tax credit. Yes, it makes a slight improvement.

[*Translation*]

The government agreed to raise the education tax credit from $60 to $80 per month for students in post-secondary institutions.

[*English*]

This budget does nothing to restore the cuts in federal transfer payments to the provinces for post-secondary education, cuts that will mean that in Ontario alone likely 5,000 fewer young people will be able to go to university next year. What good is a tax break to pay for university studies to a young Canadian who cannot get into university in the first place because of the government's cuts in transfer payments to the provinces for post-secondary education? The universities now have to

cut back the number of students they will accept in their entrance year.

The government also pays lip service to the need for more research and development in this country. When the smoke clears and the Minister of Finance stops moving the shells around in his shell game of a budget, Canadians will see that the budget offers about only another $230 million for this vital activity spread over five years. At the same time the government cancelled the Science Council, a vital source of advice and research and support for having a more effective, competitive and technologically advanced country.

The budget also appears to do things including tax changes to help business. Everything in this budget that the government says is targeted to help business will not even begin to make up for the damage this government has done to business, especially manufacturers, through its high interest rate and high dollar policies.

When the smoke clears away from this budget and the mirrors stop flashing, Canadians will see there is nothing in the budget to take away the reality that our interest rates are still very high. They are still too high in real terms after deducting the rate of inflation from them.

There is no pledge in this budget about further declines in real interest rates. This budget says nothing about the need for further declines in the Canadian dollar. Instead the Bank of Canada, apparently with the support of this government and this Minister of Finance, appears to be working to keep the dollar up in spite of pleas from our resource companies and our manufacturers that the dollar be allowed to decline further to help restore their competitiveness in world markets.

The government talks about fundamentals, but it still refuses in its budget speech to admit that the fundamentals of the interest rate and the dollar are still not right and are still working against the best interests of Canadian business and the Canadian economy, still reeling from the impact of the GST and the free trade deal and yes, world economic changes.

[*Translation*]

The Conservatives' economic policies have caused record levels of personal and business bankruptcies in Canada. The economy cannot grow until businesses can operate in a relatively stable and healthy environment.

[*English*]

The budget sets out forecasts of the government deficit, forecasts of the unemployment rate and economic growth for Canada. I note this government has not been right yet in those forecasts, if we look back at its previous budgets. Even if these forecasts turn out to be right, they paint a sad picture of too high unemployment and a lagging and weak economic growth.

The minister's own budget papers confirm how poor its management of the economy has been. Take a look at page 41 of *The Budget Papers* and I quote:

> Taken together, annual growth this year and next still remains well below the 4.7 per cent average of growth in the 1983–1984 recovery period.

Take a look at the next page. It says:

> Annual growth of 4.5 per cent in 1993 is below the norm of past recoveries—The present recovery has been weak by historical standards. Excess capacity will thus remain in the economy throughout this period—despite the anticipated pick-up in growth in 1993.

That is quotation from the minister's own budget papers. These are buried in these papers but not found in the budget speech.

When *The Budget Papers* speak of excess capacity, this means more lay-offs, more lost jobs, more closed factories and lost production.

Once again, when the smoke clears away and the illusion of good economic management this budget attempts to create is gone, we see the budget is really a sham when it comes to helping create a strong recovery. This budget is lacking in many things, but it is especially lacking in a commitment to strong economic growth.

• (1550)

The budget continues to address the deficit and debt reduction. These are certainly important issues, but there is no recognition of the role of economic growth in helping to deal with those problems. With economic growth there is less government expenditure for things like welfare. With economic growth there is more revenue without tax increases because businesses are making profits and people are working and earning incomes.

Looking at this budget and comparing it to past budgets, it is basically more of the same. When one has a worn out used car with a new coat of paint, in spite of that new coat of paint it is still the same worn out used car. This budget, in spite of its smoke and mirrors, is still the same worn out, tired budget presented over and over again by the previous minister in spite of the efforts of the present one to dress it up with a new coat of paint, in the form of the appearance of help for Canadians.

When we look at this budget in terms of the government's own priorities of debt and deficit reduction, this government is a failure because the budget speech confirms that the government has again failed to meet its own deficit target. No matter how much it twists and turns, it cannot escape the reality that since it took office, the public debt has actually doubled to $420 billion.

[*Translation*]

The Conservatives increased our debt; they did not reduce it. I know how much the Prime Minister and the Minister of Finance love to distort the truth about it and blame the previous government for the exponential growth of the debt.

[*English*]

The government has responded to some of the suggestions in my leader's emergency economic recovery plan, but what about the other elements in this plan? Where is the national community works program it proposes that would help municipalities all across this country get on with projects they already have on the shelf to upgrade roads, bridges and pollution control system? This program's costs would be shared with the provinces and municipal governments and would help put tens of thousands of people back to work.

Where are the programs the Leader of the Opposition mentioned in his emergency economic recovery program to help our workers obtain basic skills right now? Where are the programs of adjustment to retain and upgrade our workers and restore our industrial base to help it recover from the negative impact of the free trade deal, the GST, and world economic trends?

These programs certainly are not anywhere in this budget. This points to the basic failure of this budget. It does little or nothing to help the 1.5 million Canadians who are unemployed get back to work. It does little or nothing to help the 2 million Canadians on welfare get back into the labour force.

After the smoke cleared away, the minister, in his speech last night, admitted that with all the activity the budget speech described, there will still be an unemployment rate this year of over 10 per cent and about the same high level next year.

I do not see how the government, if it is responsible and caring, can live with these numbers. Instead of action, the Prime Minister, when he has the chance to say something constructive, calls the unemployed crackpots when they protest their plight.

This budget should have provided a frontal attack on unemployment. It gave us only the illusion of action and nothing more than smoke and mirrors.

As I said last night, the only test that counts is what this budget does for the 1.5 million unemployed. By the standards of that test this budget is an abject failure. This budget does nothing for the fish plant workers in Newfoundland. It does nothing for the auto workers in Ontario or the oil workers and the farmers of western Canada.

What does this government in its budget have to offer the workers who have been laid off at Hibernia and the 2,000 workers who will be losing their jobs at the General Motors plant in St. Catharines? To the Prime Minister and the Minister of Finance these people are nothing more than crackpots to be ignored and swept aside.

When I responded to the budget last year I described it as a "blueprint for de-Confederation". The budget given last night does nothing more to strengthen the fabric of this country when that strengthening is badly needed. It gives the illusion of action but it is only a mammoth shell game. Last year the then Minister of Finance called his budget a plan for economic recovery. But instead of recovery, it brought further recession and fear about the future. There is little in this budget to take away that fear and concern from the minds of millions of Canadians.

[*Translation*]

These people deserve better than that. They worked very hard all their life, but every additional year under this government sets them back a little further. Did they do all that for nothing? Today, they cannot even afford what the middle class took for granted not so long ago. Those who always took care of their future are worried

today. They are starting to wonder how much longer they will have a job.

[*English*]

Before he gave his budget speech the Minister of Finance said he would present a realistic budget, a realistic budget. But now that we have heard it, it is clear this budget is the height of unreality. It has instead strong elements of fantasy. It ignores the reality of too high unemployment; it ignores the reality of slow economic growth and lingering painful recession. A realistic budget would give Canadians heart and hope instead of continuing the despair caused by this government's policies.

The priority of a truly realistic budget would be to get Canadians working again. This budget does not do so. In this budget once again this government has betrayed the trust of Canadians. This government has confirmed why it does not deserve the confidence of Canadians and why there should and must be an early election to get rid of this callous and incompetent Conservative government.

In conclusion that is why I move, seconded by the member for Beauséjour:

> That the motion be amended by deleting all the words after the word "that" and substituting the following:
>
> That this House condemns the government for its budget's failure to provide realistic support for the millions of Canadians who are victims of its short-sighted fiscal and monetary policies and for its failure to offer a realistic blueprint for the creation of jobs and economic growth in order to bring about a strong and early recovery from the economic disaster induced by this government.

• (1600)

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is always an interesting exercise to get up and look first at the rhetoric of Conservative budgets and then to look at the details of those budgets.

The rhetoric of this budget talks about strengthening the fundamentals. It talks about an emerging new Canadian economy. It talks about action for jobs. It talks as well about a social dividend and yet, when you actually look at the details of this budget, it provides little help to the many, many people across this country who are in such desperate situations. They are in such devastating positions that their families face grim futures. They themselves have started to lose hope.

I say to the Minister of Finance and this government that there is across this country a sense of despair, a loss of hope which is taking place, and this government is not responding with the kind of compassion, caring and serious programs which are essential if we are going to see that despair reversed and if we are going to see some hope provided to this country for the future.

I wish that I could talk about the budget in a more positive way because, frankly, there are cosmetics on this budget. This is a budget which has taken the face of previous Conservative budgets and put some make-up on it. There is a little bit of lipstick. There is a little bit of rouge here and there, but what there is not, when you penetrate below those cosmetics, is anything that seriously gets at either the roots of our economic problems in this country or gives the people who are out of work across Canada a sense that over the next six months or over the next year we are actually going to see recovery, that we are actually going to see significant growth. Is there any chance that they are going to get a chance to get back into the work force and put food on the tables of their families?

I come from a constituency which has just had a study produced this week which indicated—it is not a community which is different from many in southern Ontario, it is not a community which is different from any in Atlantic Canada or in parts of Quebec—that 21.5 per cent of the labour force of Windsor is out of work. These people are unemployed.

That is a human tragedy. It is a human tragedy for the people affected. It is a colossal waste of resources for this country to have people out of work, having to receive unemployment insurance, having to receive welfare when they could be productively contributing to our economy. They could be giving our economy a sense of growth, a sense of expansion, and they could be giving all of us as taxpayers some partners to help in the burden of paying taxes.

That is one of the things we forget. We think sometimes it is just the 1.5 million people out of work who are affected when there is a serious economic downturn. The reality is that every Canadian is affected because

every Canadian has to pay more in taxes. Every Canadian has to shoulder a greater burden because people have been thrown out of work and have to receive unemployment insurance or welfare instead of paying taxes to the community.

As we look across this country, the realities of 1992 are not much different from the realities a year ago, except that they are worse. A year ago this government said we had a budget in front of us that would give us recovery. This budget promises us recovery.

The Minister of Finance said back in October that the economy was starting to boom. The Minister of Finance has said that he regrets those words, he overstated himself. He should, because we are not in a boom; we are not in a recovery. We in fact are facing the worst, the most prolonged economic downturn as far as our manufacturing sector and our farming sectors are concerned that we have experienced in this country since the great depression of the 1930s.

When you get that long a period of unemployment you do not just have people out of work. We have found in the statistics that have come out in the past few months, increasing inequalities in our country, increasing poverty. We have found that we are exporting less, that our trade position is worse than it has ever been before. We found bankruptcies at record heights. We had more bankruptcies last year than this country has ever seen in a single year before.

I could go on and list the great set of disastrous economic circumstances which are in front of us as a country. I do not want to suggest doom and gloom as the only reality. There are many Canadians who have ideas, who have hopes, who have suggestions. We heard from them across the country. We heard too their sense of anger that this government had not taken action to put this economy back into recovery, had not put people back to work.

[*Translation*]

The budget contains an impressive list of cuts, changes and modifications of all kinds to government programs and agencies. Some taxes on corporations and on individuals were changed. The Minister of Finance wanted to give the impression that he is a man of action and that he knows how to take charge of the situation. But this budget contains nothing to get the economy out of its slump and to put people to work.

• (1610)

Like the Liberal Party at the end of its mandate, this government is drained, unable to present a creative budget. This government keeps repeating the same refrain about cutting the deficit. If it had abolished the capital gains lifetime exemption as suggested in the New Democratic Party's budget proposals, the Conservative government would have recovered $2 billion. Sixty per cent of those who benefit from this exemption earn over $100,000.

[*English*]

We are talking about a loophole in the case of the capital gains exemption which benefits only .4 per cent of the taxpayers of this country. Less than half of 1 per cent receive 60 per cent of the tax breaks from that tax loophole. If we had eliminated that tax loophole we would have gained $2 billion that we could have used to put people back to work; that we could have used to reduce the GST and get rid of it for certain sectors of the economy; that we could have used to do something about improving the infrastructure in our municipalities; that we could have used to establish a child care program such as this government today has just abandoned.

We do not have a set of strong actions against the loopholes for the rich that remain in our tax system. Instead we have a series of tax changes which in the first place are very small. The tax changes which took place in this budget were about half of the total amount of tax increases this government put in on January 1, in terms of increased UI premiums that individuals and companies had to pay.

With one hand it gave people about $1 billion extra and then a month and a half ago it took away from people almost $2 billion in UI premiums. So much for tax decreases from this government.

In the second place, those tax decreases that were provided were far more beneficial for people who were rich than for people who were poor. For every dollar that went in tax breaks to an individual making $30,000 per year, the average wage that an industrial worker in Windsor would get, people who are wealthy in this country making $100,000 a year received six dollars. Six dollars for every dollar that went to the average person.

That is not fairness or social justice. That is the same old Conservative philosophy which has led in this country in the past seven and one-half years to increased taxes for the average family and decreased taxes for the

rich. It has led to decreased taxes for corporations and consequently to an economy that is suffering very badly.

I mentioned today in Question Period that some of the tax loopholes are especially gross and unbelievable. I find it inconceivable that a government, after it had been pointed out to them, would still keep a provision in the tax system permitting a company to hire escort services for their clients. I asked the Minister of Finance about this today and he refused to answer the question. I think he was embarrassed. He certainly should be embarrassed. This government should be embarrassed by what it has given the rich, the powerful and the well off in this country at a time when people are suffering so badly across this country.

As we look through this budget, there is no action to expand jobs. In fact I can point to things in this budget that reduce jobs such as the elimination of co-operative housing. This excellent program has benefited thousands of people across this country, not only those who live in co-operative housing but also those who build that co-operative housing and produce the materials that go into it. Mr. Speaker, I think your timing must be slightly off. It was about four o'clock when I started. If I can continue—

The Acting Speaker (Mr. DeBlois): I want to be clear. I think you have two minutes left in your speech.

Mr. Langdon: Mr. Speaker, all I can say is that having looked at the clock when I got up and it now being just past a quarter after, it seems to me that two minutes is rather a remarkable interpretation.

The Acting Speaker (Mr. DeBlois): Order, please. I want to remind the hon. speaker that I gave him two minutes more than the usual time because of the interruption. You have two minutes left.

Mr. Langdon: It seems to me that what we have in front of us is a budget which does not provide a response to the answers of Canadians. Instead it provides answers to the needs that the large scale business community in this country wanted. It is not surprising the Minister of Finance, when he quoted those who supported his budget, said today that they had support from the Business Council on National Issues. They had support from the Chamber of Commerce and from the manufacturers. That is not surprising. It is a budget that was written for them, not for the average person in this country. That is the reality.

• (1620)

I say to this government and I say to this minister that they have to get a vision of reality.

He talked about realism before he presented this budget. He has to recognize that the reality across this country is a grim and tough reality. It is a grim and tough reality with many, many people out of work.

That required a budget that had compassion, that had force, that gave leadership and that put people back to work. That is not the budget that we have before us and that is why I would like to move a subamendment to the amendment which has been moved. I move:

> That the amendment be amended by adding the following words after the words "monetary policies":
>
> specifically, its failure to eliminate unfair tax loopholes for the rich
>
> and by adding the following words after the words "economic growth":
>
> , to reach full employment in Canada and significantly reduce defence spending so as to provide funds to assist in the expansion of jobs

That amendment can give us a direction which will put people back to work and give us a sense of hope for the country.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened carefully to the member for Essex—Windsor and there were many things he said in his speech that I agree with.

I was hoping that the Minister of Finance naturally would take a much more aggressive approach in tax reform. It is no secret to this House where I stand on comprehensive tax reform.

I would have thought that there would have been a little bit more in this budget, a lot more actually for training. I supported the member for Essex—Windsor on that.

As I listened to him I could not help but think of my own province, the province of Ontario. Some of those same criticisms that he was putting toward the government could also be applied toward the premier of Ontario.

The province of Ontario has traditionally been considered one of the engines that is vital to the economic health of this country.

Does the member for Essex—Windsor not think that maybe some of that advice that he is giving this Minister of Finance—and by the way I agree with a lot of it—could also be given it the treasurer in the province of Ontario?

In the province of Ontario right now the unemployment situation is a disaster. The video business in Toronto is a good business to be in because we seem to be paying people to stay at home. We are not getting them back to work.

I caution the member for Essex—Windsor that as he is criticizing—and I am certainly going to be critical of this government—we should also be putting some ideas forward.

Those same ideas should be presented to the premier of Ontario who is doing a disastrous job right now in the province and not helping this engine of recovery at all. I was wondering if he could maybe comment on that.

The Acting Speaker (Mr. DeBlois): Before giving the floor to the hon. member, I received the amendment to the amendment from the hon. member for Essex—Windsor. That amendment is under consideration by the Speaker.

Mr. Langdon: Mr. Speaker, I would say two things.

First, it is interesting the provincial Liberals in Ontario attack the New Democrat government in Ontario because it is doing too much, because it is being too expansive, because it is trying to do too much for people. And this federal Liberal wing attacks that government for not doing enough. It would be interesting if they would at least get their act together. As far as we are concerned there is no difference, which will be reflected in my comments.

What I have said this government should be doing is precisely the kinds of things which the Ontario government has been emphasizing and has been putting into effect so as to get people back to work.

I can list for members the various plants which have been saved by the aggressive action of a government that is providing leadership in Ontario, for example, in Sault Ste. Marie there is Algoma Steel with over 3,000. We can talk about de Havilland which has been saved. We can talk about Kapuskasing which has been saved.

In area after area in my province the New Democrat government is being aggressive and providing leadership because it does care about people.

It is also putting tax changes into effect. For instance, in its last budget it saw to it that for every dollar in tax breaks that went to the average working family, there was not $6 that went to the rich as this government is putting into effect. Instead, there was an increased tax burden on the rich so that they contributed a fair share of taxation in the province of Ontario. That is the direction which has to be taken.

It is a direction which I think we all recognize cannot represent a vast expansion in the deficit. That is something on which there is broad agreement, but a reallocation of money is essential, and this government has not given us that reallocation of money.

It has played a shell game which has tried to suggest that such reallocation is taking place, but no such change has really occurred to put money in the hands of those who need it to get people back to work.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I want to raise the matter of universality because it certainly comes up in this budget.

There is no doubt in my mind that with respect to family allowances universality is dead and gone. You can thank the Tories for that. It was Liberal governments in the past that brought universality to this country.

If Tory government members can end universality with respect to family allowances, where do they go next? Do they stop at family allowances or can they then attack universality at the level of medicare? If they can attack universality at the level of medicare, can they go further? For example, can they go on to pension plans? Why not?

It seems to me that if you can argue that upper middle income people or so-called rich people in this country do not need the benefits of universality, then you can equally argue that upper middle-income people, rich people, do not need the benefits of medicare. If you can argue that, you can go down the road farther and you can argue that upper middle income people and rich people

in this country do not need the benefits of pensions. Where does this nonsense stop?

It seems to me that if we are going to fight for it we have to fight for it now because once you unleash this, once you attack universality or end it in one area of our social programs, that attack will continue. I want to ask the speaker for the New Democratic Party whether he shares that view of mine.

• (1630)

Mr. Langdon: Mr. Speaker, I have to say I agree very strongly with the member from the Liberal Party who has just spoken. I think we have in front of us an attack on universality which is very dangerous for the future of our social programs. As soon as you make the social programs in this country simply for a disadvantaged minority, and everyone does not have a stake in our social programs, then inevitably by the politics of majorities and minorities, those majorities will squeeze the money that goes to that minority and those social programs will cease to be useful.

I agree with my friend from Winnipeg. I suggest to him as strongly as I possibly can that yes, we must fight this. I urge him to fight it as strongly as he possibly can with the Liberal premier of New Brunswick who has suggested that we should get rid of universality in medicare; with the Liberal premier of Quebec who has suggested that we should get rid of universality in medicare.

I think this battle has to take place, and as someone in the Liberal Party, I think he is well placed to lead that fight against those in his party who are heading down that road. There are certainly a lot of them and I worry about them a great deal.

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I welcome this opportunity to lead off the debate on the government's budget for the 1992–93 fiscal year.

I would like to start by congratulating my colleague, the Minister of Finance, on a budget that reflects the concerns of Canadians. He not only heard what they had to say. He listened. This is truly a budget for all Canadians, not just for the government.

During pre-budget consultations, there was a clear consensus on the need for adopting a well balanced approach that would help strengthen our economy today and in the years to come.

The Budget

Mr. Speaker, I think it is clear, and you and I heard the minister say, that Canadians want to cut the deficit. They know that higher debt means higher taxes, and they want an end to rising taxes. They want the burden of government reduced. They want less government and better service.

Canadians want to ensure better development of Canada's most valuable resource—our people. They want better opportunities for people to improve their skills, and they want steps taken to ensure that our social programs meet the basic needs of Canadians.

Most of all, Canadians want a renewed basis for confidence in their economy—confidence that jobs will be created and jobs maintained.

The budget is a response to these demands. The equation is quite simple: The budget will cut public spending and use the savings to provide tax reductions that will help Canadian citizens and support economic growth.

[*English*]

This budget will not please anyone who thinks we can spend our way to instant prosperity. My colleague, the Minister of Finance, said yesterday that you don't get out of a hole by digging it deeper. The budget of course makes tough decisions to reduce government spending. These cuts make it possible for us not only to reduce the deficit but also to cut taxes and deliver a social dividend to Canadians and their families.

[*Translation*]

The personal income surtax will drop from 5 per cent of basic tax to 4 per cent on July 1, 1992, and to 3 per cent on January 1, 1993. This will increase Canadians' after-tax income by $500 million in 1992–93, and by more than $1.2 billion in 1993–94. Every one of the nearly 15 million taxpayers will benefit from it.

The new home buyers' plan will allow Canadians to draw on their registered retirement savings plans to buy a house. Individuals will be able to withdraw up to $20,000 tax-free and repay it over 15 years.

Interest rates have declined considerably, about seven points since the spring of 1990, and Canadians are very pleased with that. Similarly one-year mortgage rates have fallen six percentage points. Thus a family that takes out a $75,000 mortgage loan amortized over 25 years saves over $300 a month. Lower inflation is the key to lower interest rates. Inflation has dropped spectacu-

larly, from a 6.8 per cent annual rate in January 1991 to barely 1.6 per cent today.

[*English*]

The manufacturing and processing sector exports some 40 per cent of its production and is highly exposed to international competition. To help it meet the challenges of globalization, the manufacturing and processing tax will be reduced from 23 per cent to 22 per cent by January 1, 1994.

Furthermore the capital cost allowance rate will be increased for manufacturing and processing machinery from 25 per cent to 30 per cent.

[*Translation*]

The budget also recognizes the crucial role that research and development play in today's global economy. We are streamlining the administration of the scientific research tax credit. This should enable businesses to make greater use of the credit and stimulate about $230 million of research and development in the next few years.

The government is setting up the Small Businesses Financing Program to help small businesses, which are so important to the Canadian economy, obtain loans at lower interest rates. Furthermore the ceiling for loans to small businesses under the Small Businesses Loans Act will double to $200,000.

[*English*]

As one can see this budget makes a concrete investment in overcoming our current economic weakness, in reducing the burden of deficits and taxes, and in building a more competitive future. But it also invests new resources in assisting Canada's children, the disabled and students. The government has proposed major reform of the child benefit system. The new system will increase child benefits by $400 million per year and target them to low and middle income families. I will come back to this proposal in a moment.

The budget also includes measures to help disabled persons play a fuller role in Canadian life. For example, the range of tax deductible expenses for medical treatments will be broadened.

The budget will also provide additional tax relief to students. The maximum amount of income on which the education credit is calculated will increase by one-third. The limit of the total amount of tuition fees and education credits which may be transferred to another taxpayer will rise to $680.

Even as the government is being streamlined, measures will be taken to improve service to the public. For example, departments and agencies will work to provide more convenient one-step access to the services they offer. Standards of service will be developed for such matters as longer hours of opening and faster responses. Procedures and forms will be simplified and existing regulations will be reviewed to ensure they serve valid public purposes.

Yesterday in the budget we saw a major $2 billion step toward improving federal support for children and families.

• (1640)

The new child benefit will consolidate the existing family allowances, child tax credits and dependent child credit into a single monthly benefit beginning January 1993. The child benefit will also include an additional amount for low income working families.

It is the largest and most important social initiative since the child tax credit was introduced in 1978. The proposed child benefits built on existing federal programs for children and families total $15 billion annually.

[*Translation*]

Mr. Speaker, I would like to tell you today why we are taking this action. To begin, I would like to quote something that I read recently: "Children are an asset to the state, human resources are of much more importance than material resources". Those words were spoken by then Prime Minister Mackenzie King in the House of Commons in July 1944, nearly half a century ago, when the family allowances bill was presented. He also said: "There is an obligation upon the state to assist in the upbringing of children" and "the family and the home are the foundation of national life". To be sure, politicians are rarely unanimous. However, when the importance of children and families is concerned, I am sure that we can agree.

[*English*]

We plan to discuss this proposal with the provinces however. We plan to discuss implementation and not introduction. In fact we will be introducing legislation before the summer and I hope we will receive support from all members of the House.

We want the kind of support that Mackenzie King received in 1944. Adjusting the way we support children and families is a hallmark of Canada's social policy tradition.

Since 1945 successive federal governments have made additions and adjustments to our child benefit programs. These programs have been modified on more than 20 separate occasions. Each of these changes were made with good reason. Each was appropriate to its time, but the result of all these additions and adjustments is a patchwork of benefits.

It is complicated. It makes little sense. It tries to be fair, but it falls short in that regard, too.

[*Translation*]

The new child benefit follows up the recommendations of two parliamentary reports, one from a Senate committee entitled *Child Poverty: Towards a Better Future*, and another from a House subcommittee entitled *Canada's Children: Our Future*. The recommendations were very good. We have accepted and implemented them.

[*English*]

The new child benefit has three characteristics. First, it is simpler. There is no additional paperwork to fill out. It is tax free for parents to keep and benefit their children. An all in one payment is made every month. It is fairer.

The new child benefit will be based on the over-all income of the family and not on individual incomes. It will go to families who need it. To help working families better provide for their children, there is an earned income supplement of $500 per family.

Finally it is more generous. Virtually all single parents and one earner families will receive more. Annual benefits for low to moderate income families with incomes below $50,000 will increase by an average of almost $250 a year.

I believe it is a fiscally responsive decision and that fiscal responsibility is itself a social benefit. Our children must not inherit a Canada that is crippled by debt.

Of course some will say this is the end of universal social programs. I believe it is a reaffirmation of Canadians' belief in fairness. I cannot justify sending a family allowance cheque or giving a child tax credit to families that earn hundreds of thousands of dollars. It is just not fair.

[*Translation*]

On the contrary, I think that as a society, whether we are politicians or ordinary citizens, we cannot remain indifferent when children go to school hungry or do not have boots to wear in winter.

If we want to help children, we must help families. Of course the government does not have unlimited resources so it must make the best use of them.

[*English*]

Every generation leaves the next a legacy. We all struggle to do our best for our children. As we make these efforts, we also recognize that our children will one day have to make their own way in the world. We must give them every opportunity.

Prosperity is not a commodity that can be bought or sold. It is not something that can be handed down from one generation to the next. Prosperity is the result of a healthy, happy, educated and motivated collection of people. Certainly prosperity has something to do with money, but it has a lot more to do with people. Tomorrow's prosperity is in the hands of today's children. The legacy we must leave them is one of unrestricted opportunity. They must inherit from us a future that is wide open, free for them to make the paths they will.

[*Translation*]

All the measures described, together with the initiatives that the government has taken in the past, strengthen the foundation for growth and job creation. As the Minister of Finance reminded us yesterday, and it is worth repeating, the Canadian economy is fundamentally well placed for a sustained recovery.

In summary, I think that this budget provides leadership and does what Canadians say they expect the federal government to do. But it is also true that no level of government can make the economy healthy.

The economy will only be healthy if all levels of government and all sectors of the economy work together constructively to put long-term gains ahead of short-term interests. That is why our government, in close co-operation with the provinces, will try to strengthen the policy framework that our economic union provides for growth and future job creation.

The provinces will soon bring down their budgets. It is important that they follow a course compatible with this budget: better financial balance, lower deficits, tighter control on spending and on the tax burden. To repeat again what the Minister of Finance said, it is always the same taxpayers who pay and they deserve a break.

That is the message which Canadians gave us and we listened to it. I think the budget we tabled yesterday provides a clear answer to that message.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have a lot of respect for the minister of health. I have watched him serve in many profiles for this national government over the last few years. I think that his child tax benefit plan is an interesting one and it is the beginning of an interesting debate.

The minister says they are listening to the people of Canada.

• (1650)

I am hearing right across this country that people want to get back to work. In the province of Quebec alone we have 600,000 entrepreneurs. This minister is the Quebec minister. I have listened to some of these people and they are not feeling confident. The unemployment numbers in the province of Quebec are high. The minister talks about children and the ability to buy snowsuits and rubber boots, and having enough food to eat. The best way to provide this is to get these people back to work. The best way for children to be looked after in terms of their health and their welfare is their mother or father having a job.

I do not see anything in this budget that is going to kick-start the entrepreneurship of this country. There are 1,700,000 entrepreneurs in this country. The government says it is way ahead of its inflation targets. It has a very low interest rate. In spite of all those things, there is a low, low confidence in this country. I believe that the Minister of Finance, without being dramatic, without going to the deficit or to the debt, should have done something to kick-start that entrepreneurial spirit that exists in this country if he wants to get people back to work again. It seems to me that that would be just as powerful a way of looking after the children of this country as the program that he is on. I am not against exploring that program, but it seems to me the dignity of a person working is equally important as that tax credit.

Mr. Bouchard (Roberval): Mr. Speaker, I want to say I appreciate the comment. It is positive. It is constructive. Maybe it is not based on the same perceptions, but I appreciate the way the member is approaching the issue.

I agree that the more we have the capacity to produce in the country, the wealth of the country will grow automatically and we will be able to do more for poor children. I totally agree with that and I agree that wealth comes first of all by working. People in the labour force who are able to get a job and to work produce wealth in the country.

However in Canada, as in any other country in the world, I would say we face today a kind of cyclical period. It happened in the 1970s and it happened at the beginning of the 1990s. I believe that my friend will agree with me that jobs are not coming. I will use the expression which is coming from French—I made a mistake this morning. I hope I will not make one this afternoon—which is spontaneous generation, which is coming so suddenly that we do have to take into account all different factors of the problem we face today. My colleague was and still is involved in the business sector. He knows very well that all those conditions are such that a few macroeconomic conditions like interest rates, dollar plays, and many other factors refer particularly to the question of restructuring of the economy and so on. When doubled with a recession as the one we face, it makes that very difficult. In Quebec, as in Ontario, it may be they are proportionally touched with problems with the recession.

Other provinces have problems too. Last week I was in British Columbia and obviously the reality is different. It is not because there are no problems. The question is the different realities in the two central provinces touched by the recession. There is no doubt in my mind that what I would call the *point d'arriveé* with the question of children has to be fixed with the *point de départ*.

The Speaker has told me that I have taken too long. I believe that what the Minister of Finance has proposed, and it may be in terms of triggering some kind of new economy, is modest in the capacity that we have to do it for small business, investors and so on.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the minister, but there are several members with questions, and I will now recognize the hon. member for Rosemont.

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I heard the Minister of National Health and Welfare and Minister responsible for Quebec speak with great pride about the budget. I must say I have had enough of the opposition's worrying about the future of universality as it applies to health care, now that the government has dropped this principle for family allowances. I think the two cases are quite different. Although the government's decision is not spectacular as far as supporting our families or the birth rate is concerned, the latter being vital to us in Quebec, the fact remains that this reform does send the money to the families that are most in need. As far as health care is concerned, however, programs are already being affected today. During the eighties, and even more so recently, the federal government has been withdrawing from health care support to a very substantial degree. In 1985–86, according to agreements existing at the time, the federal government paid 46 per cent of health care and higher education costs. We know that by 1994–95 it will be paying only 32 per cent. This is clearly a withdrawal from those agreements. For Quebec next year this means a shortfall of $1.9 billion. How can the minister say he hopes the provinces will do the same? Does he mean the provinces should send the bill to the municipalities, which will send it on to the citizens of this country who ultimately pay anyway? If the federal government withdraws from health care financing, the provinces will either have to change the program or tax their residents. Although the minister continues to defend the principle, at least officially, the programs are already being affected.

There is another issue that is extremely important to Quebec —

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member but he has only one minute left to finish his comments, after which the minister has a chance to respond.

Mr. Tremblay (Rosemont): Regarding research and development programs, I simply want to know whether the minister responsible for Quebec is aware that the federal government is actually skimming off 39 per cent of the tax credit allowed by Quebec to businesses for research and development, as the finance minister explained at the last first ministers' meeting.

Mr. Bouchard (Roberval): Mr. Speaker, I think that the Minister of Finance already commented this afternoon on the subject of the second question from the member for Rosemont. So that I can have more time for the first question, I would just point that out.

As for the first question, I do not challenge the figures given by the hon. member for Rosemont, except that I am sure he knows that the federal government transfers not only cash but also tax points for health care, at the request of Quebec, among other provinces. In 1977–78 I believe that Quebec asked the federal government to transfer tax points instead of cash, and that is exactly what has happened. If he considers the tax points transferred, he does not obtain the same result for the proportion going from 46 per cent to what it is today.

Second, the recent debate in Quebec is significant for the national health issue. All provinces share the same concern; the hon. member talked about a $1.9 billion shortfall for Quebec, but everyone agrees that 9 per cent of the gross national product for health care is enough. In other words, the health care system in Canada does not lack money, but the way it is managed must change. Mr. Côté and the other ministers agree on that. Giving Quebec $2 billion more will not necessarily relieve the overcrowded emergency wards. Funding has doubled and

tripled in the past 10 years, but the problem has not changed. The problem is one of management and the federal government will continue to do what it has done. Of course we do not transfer money that we do not have and for the information of the member for Rosemont, Quebec does the same since it transferred responsibilities to the municipalities under the Ryan plan, as we know very well.

• (1700)

The Acting Speaker (Mr. DeBlois): The Chair, having considered the motion in amendment put forward by the hon. member for Essex–Windsor, can now rule in favour of the motion.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, it is an honour for me to have this opportunity to speak about the 1992 budget.

As you know, Mr. Speaker, we have a new Minister of Finance and we have been told to expect a brand new budget. I must say that, when I first looked at it, I thought that there might be something in there. Then I took a second look and realized that a coat of varnish was making everything look great. As soon as you take a good look, you can start noticing the cracks, real big cracks!

[*English*]

When I first saw this budget I thought just maybe there was going to be some hope for Canadians. I heard about tax breaks and I thought hallelujah. We are already so overburdened with taxes it is high time. But when I looked more closely at what was underneath this budget I realized that the tax breaks were just a bit of colouring.

When we are being hammered on the head constantly and somebody takes a chip off the hammer, we may feel a little of relief at first glance but we are still being hit on the head. It does not take away the fact that we are overtaxed. This has not helped us in any way, shape or form. What is $2 in 1992?

What we see is a budget which goes ahead and says: "In 1992 we will reduce the surtax by 1 per cent". Then when we look beneath that we find the surtax is 1 per cent but it starts July 1. Right away that makes it .5 per cent. The surtax is a tax levied on the tax that has been calculated. When we look down the line it does not mean a whole lot, especially not for those who need it the most.

But it was a gesture and we have to allow them their gestures. After all, this is a budget for an election year. It is a budget crafted in 1992 but nothing really happens until 1993. It is a one-year budget but with five-year benefits, so we are told.

This government is not going to be here in five years time so it is easy to project into the future. I can project all kinds of beautiful things too if I think I will not be around to answer for it.

I wanted to know, when I opened this budget document, what the government was going to do this year. Over the last few weeks we have heard about a barrage of plant closures and job losses. Over the years we have heard this government go on about competitiveness: we have to be competitive and we have to be the best.

One thing happened last week in the announced closure at the plant in St. Catharines. There was a plant that was competitive. There was a plant that made money. It is closed. Now tell me: how are we going to help those people who are faced with job loss? Is there anything at all in this budget to help these people? Absolutely nothing.

Let's talk about the farmers. What is in it for the farmers? Mum is the word, mum is the word. What is in it for the fishermen on the east coast? Absolutely nothing.

We talk about the deficit. We have heard much talk about the deficit and how this government was going to be God's gift to deficit reduction. We just have to go back to the very first years of its mandate. We had a brand new minister then. He said: "We are going to reduce the deficit. We have to reduce the deficit". The size of the annual deficit since 1986–87 has not been reduced at all.

As a matter of fact the national debt has doubled in size, and this through some of the best growth years of our economy, this despite the fact that our income taxes and all taxes have gone up at least 33 times. The average Canadian is suffering an horrendous burden in terms of taxation.

Now we are looking at bankruptcies which are reaching record levels. We are looking at unemployment which is at a record high. What is the government

predicting about unemployment? It is going to be quite normal now for our employment rate to remain above 10 per cent at least for the next two years.

What kind of nonsense is this? How can we expect to have competitive, happy and prosperous people when we are saying: "You are not going to have a job. I am sorry, we can't help you"?

Keeping in mind that the Tory text since 1984 has been expenditure control, cutting the deficit and reducing government debt, in 1990 the then Minister of Finance stated: "Our policies are working". He was making reference to the monetary policy, which by the way really helped create this made-in-Canada recession. However, as we know, the forecasts of budget deficit, interest rates, growth rates and inflation rates have consistently been wrong. Why should they be right this time?

Beginning with the February 1988 pre-election budget which was subtitled *Securing Economic Renewal*, the public was left to believe that renewal had been secured. "In three and a half years our economic progress has been dramatic. Our policies and initiatives have worked in building the framework for the economic success we now enjoy", stated the then finance minister.

In the following months he went on to explain: "The structural changes that we are making in the Canadian economy have strengthened the foundations for economic growth and investor confidence". Absolutely beautiful words. Where is this economy growth and investor confidence right now?

The recovery is being held back by many factors, and probably the most important one is that the Canadian consumer is afraid to spend. In any event he has very little money to spare. His confidence is badly battered, not only by the lay-offs and bankruptcies seen in any recession but also by the permanent job cuts and industrial restructuring sparked by flagging government fiscal and monetary policies.

When we hear this new finance minister speaking of restraint, we hear echoes of the other finance minister who preceded him. When he talks about failing to meet budget targets this year but achieving them in two and three years, the reverberations of prior years are very loud. Have we not all heard it before? Is it not the typical speech? "We are sorry we did not meet the targets this year, but for sure next year we are going to meet them". They are going to be really on target next year or five years from now or somewhere, somehow, some day they might. We might as well say that.

The Conservative record of deficit reduction is dismal. In 1985 the deficit came in at $34.6 billion what was predicted to have been $33.8 billion. They were off. The federal debt that then needed controlling was at $224 billion. Now it sits in excess of $420 billion. In 1986 the finance minister said that he would have the deficit down to $25.9 billion but it was $28.2 billion. In 1987 the deficit was $30.7 billion. In 1988 the deficit stood at $29.3 billion, and in 1989 at $28.6 billion. The deficit has gone up every year since 1987-88.

• (1710)

In order to hasten the recovery process, the finance minister at that time in 1989 launched what was described as an ambitious five-year fiscal plan. The finance minister was never short of plans. He mentioned this five-year deficit reduction plan in last year's budget as well. Forget the old clear and realistic medium term plan. We are now back in the business of medium term predictions with new ambitious five-year deficit reduction plans.

I go on about this only because I want to show the people that this is a lot of mumbo-jumbo and a lot of really nice words which will not produce very much. We just have to go through the list of what is in this budget today. Let me refer to one of the things that is happening. Remember how the environment was sacred to this government and it had this fabulous green plan. Let me tell the people across the way that the environment is sacred and our children will suffer because we are not being honest and we are not tackling the environment the way we should be doing.

This fabulous green plan was supposed to be a plan for five years, but the following year the Conservatives extended it to a sixth year. Now they are saying: "We really cannot afford it so we are going to cut back $75 million a year for the next two years, but we will make it up on the last three years". Come on, come on.

They talk about helping people with housing. There will be no more co-op housing. Social housing will be cut back but there will be some. Fine. We brought in the brand new idea that RRSPs could be used to purchase homes. It was a great idea. Our leader suggested it. I am

very happy to see that they have taken it up, but why only limit it for one year? Many Canadians right now have RRSPs locked in for long terms of four or five years before they can access them. How will they be able to access these funds so they can use them this year if there is a one-year term?

An hon. member: Some will buy any way.

Mrs. Marleau: Yes, some will buy anyway and in some instances it will help.

An hon. member: We hope they will buy.

Mrs. Marleau: We certainly hope so. We think it was a great idea. We just wish they had extended it a little longer so that those who cannot access RRSP funds this year would be eligible to access them in the next few years.

Turning to Canada student loans, there is always a sleeper in everything they do. They give with one hand; they take away with another. They say: "We are going to allow you a bigger deduction for the fact that you are a student, but we are going to start charging interest on your Canada student loan from the day you graduate".

I do not know how many of them know students and know how difficult it is for them to get jobs. It is extremely difficult to get a job and start working the day after one graduates. For most right now it is almost impossible.

Another thing they are doing is privatizing the loans. I will give an example of a woman in my riding who came to see me not long ago. She had been left alone with two children. She decided that she did not want to live on welfare or mother's allowance. She wanted to make a life for her family. She went back to school and she got a Canada student's loan. This lady, when she finished her schooling, got a job. We have to understand that other than the Canada student's loan she has never lived off any kind of government assistance. Now it is 10 or 15 years later and she owes more in interest than she does on the original loan even though she never defaulted on her payment, not once.

The other day she came to see me and asked: "Do you think that there is some way I can get out from under this horrendous burden that seems to get worse and worse and worse?" Now her children are at an age where they have to go out and get Canada student loans.

I wonder if there is any compassion, where people who help themselves get a little help also. However, with privatization the collection people will be at her door and it will not matter that she is supporting two children and not on mother's allowance; she has to pay her loan. If she were on mother's allowance maybe she could have gone bankrupt and not even tried to pay the loan, but she did not. These kinds of insensitive actions really are deterrents to people who want to do the right thing. I would ask that you reconsider some of these methods of collecting Canada student loans. There is no doubt there are people with money who are not paying back their loans and I have no objection to you going after them. But there are many out there who are struggling and having a very, very difficult time. In that case, we should have a little compassion.

One item in the budget is reductions in grants and contributions. It all sounds so good. We do not know yet what is in that because it is going to come out with estimates tomorrow.

There are agencies eliminated and consolidated. Some of them may have been absolutely useless. Some of them could be very good. It may even lead me to believe that some of them have been eliminated because they were a little bit too good. There are two that come to mind and they happen to be led by some very capable women. I am wondering if that is something that just happened. You sometimes wonder how the minds of these financial people work.

We are going to have tighter government travel guidelines. I have no problems with that. I cannot travel first class, by the way. The only plane that flies direct to Sudbury is a 19-seater with no washroom or service. But I do pay first class prices for that flight. I wish you could do something about helping alleviate the cost of transportation for people in the outlying areas.

The communication budget cuts. Hallelujah. They are going to stop spending some of their massive advertising budgets.

Mr. Mills: Go to personal service contracts.

Mrs. Marleau: I am just wondering. You are going to cut it out, but are you going to have consultants do it? How is it going to work? I have this feeling that somehow there is an election year coming and there will be some way you can go out with a massive advertising campaign.

You know, the prosperity agenda: You can do it. You can compete. You say that to the people in St. Catharines. You say that to most people and they will look at you and tell you they remember.

Tax compliance and cost recovery are great ideas, but why are you cutting back on staff in those departments? Why are you not really making those departments effective? Each one of these tax collecting people brings in more than his or her salary, yet the numbers have been reduced.

There are many people out there who have not complied with the GST. No one has been near them. No one has asked them why they have not complied. There are billions out there. Maybe if we had additional staff we could collect some of these thousands of dollars out there. I am very anxious to see something done there.

Mr. Sobeski: How can people avoid paying tax?

Mrs. Marleau: You ask them. They will tell you.

Changes to withholding tax always sounds great. The government is going to allow more foreign investment in Canada. I like foreign investment. It does things for Canada, but it is only for foreigners. They are the only ones who get this benefit. Why are we not encouraging Canadians to invest in Canadian enterprises? We are giving them tax cuts but they are not half as good as this. Part of the problem with foreign investment is that all of the profits leave the country and that has been a major problem with our economy. I am of two minds about this one.

Small business financing. Hallelujah. If a small business is in trouble the government is going to allow it to borrow up to $200,000, up from $100,000. I do not know where you people live, but I know a lot of small businesses and they have no means of borrowing up to the $100,000 even when they are in good financial positions. Do you live in Never Never Land? If a business is in trouble do you think it will be able to increase the amount of its loans to $200,000?

The child tax benefit is a beautiful package. It sounds so great. But do you realize that the family allowance cheque goes out to mothers? Every mother in this country receives the cheque directly. When the mother works outside the home perhaps she does not rely on that cheque coming to her directly as much as the stay-at-home mother.

• (1720)

Do you know that for thousands of stay-at-home mothers in this country, it is the only cheque that comes to them in their name? Is there any way at all it can be arranged in this new scheme of things that the stay-at-home mothers receive that credit directly in their hands? I think it is extremely important.

The Speaker is trying to get my attention here. I can keep going on and on. What I can say is that the government members are big on *r* words. I will say to the people of Canada, just remember that when we had the free trade debate they promised us jobs, jobs, jobs.

We did not get jobs, jobs, jobs so most of us are pretty sceptical now. When the GST came in they said you would love this GST. It is was going to create jobs and it was going to make us all prosperous. Nobody believed them. Nobody believes them now and nobody will believe the government is going to do anything with this budget except try to—

[*Translation*]

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, we have listened with great interest to the hon. member as she described the hardship businesses are experiencing. She mentioned in particular the case of a Canadian woman who is going through hard times. Believe me, I do sympathize with the Canadian men and women who suffer hardship from time to time.

However, did the hon. member who talked a lot about the deficit, telling us it had not been reduced, tell her constituent the real reason she is suffering such hardship today and why it is increasingly difficult for government to act, that it was because we basically have our hands tied due to the mismanagement of the former Liberal government?

The hon. member talks about the deficit and tells us that this government did not reduce the deficit. The truth of the matter is that in 1984 there was a $38 billion deficit, of which $22 billion was interest to service the debt and $16 billion were cumulative operating deficits. This means that in those days the government was

spending more than it was collecting in taxes, which created a total deficit of $38 billion.

Eight years later, in 1992, we are told that the deficit stands at $31.4 billion, with a $12 billion operating surplus, which means that the difference between $12 billion and $31.4 billion is due only to interest on the debt.

The hon. member should know that if we had a balanced budget, if revenues and expenses were the same, the deficit would now be $43.4 billion. What is worse, and the hon. member is silent on this, is that if we had kept increasing expenses at the same rate as the Liberal government did until 1984, our deficit today would be $80 billion and our debt would be $600 to $700 billion.

I ask the hon. member whether she and her party recognize, once and for all, that the deficit is indeed lower and that it is by lowering the deficit that we will again have the necessary leeway to ease the tax burden on our citizens, or does the hon. member intend to support her leader's policies—I conclude on that note—which would increase expenses, reduce revenues and add to the national debt?

Mrs. Marleau: Mr. Speaker, in response to the gentleman opposite, I can inform the Conservative member who just asked me a question that the Tories have not a clue how to run things. They have not the slightest inkling. They are very good at making speeches. However, when you consider we have had 33 tax increases since they came to power, during a period of prosperity the like of which we have not seen for a long time, I hardly think they have any right to say they know how to run a country.

In any case, when we come to power, we will have some terrific problems because of your poor management. In any case, we will put people first. That is how a government should be run. First, Canadians will be a lot happier and, second, we will run things very decisively.

[*English*]

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I have listened to the hon. member from Sudbury. She read a budget but I would like to ask her something. We had some comments from some other people. The President of the Canadian Manufacturers Association said that investment in the goods producing sector will be stimulated by cuts to the tax rate on manufacturing income. He praised the government's move to let companies write off the cost of new equipment and machinery more quickly.

The hon. member talked about consumer confidence. Mel Fruitman, vice-president and research director of the Retail Council of Canada, said that the economic growth assumptions underlying the deficit forecast are creditable. His group is happy with the budget because it manages to cut both the deficit and taxes. He said they think this will help rebuild consumer confidence. Finally the Canadian Home Builders Association said they think this whole thing is a springboard to recovery.

So here are three people in the retail business who are saying this is the springboard and this indeed may bring back consumer confidence. They read the same budget. Is the hon. member telling me that the home builders, the retail council and the manufacturers association are wrong?

Mrs. Marleau: I would imagine the manufacturers are very happy at having a tax cut, and of course they would support it. But let me remind this government that there are very few manufacturers making any money these days so it really matters very little. There are also very few manufacturers.

All I can say to the member for Cambridge is that perhaps many of you, and a lot of us also, would like to continue to live in hope because otherwise we die of despair.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to compliment our co-critic of finance on her speech. During the course of her speech she talked about the Small Businesses Loans Act. This Small Businesses Loans Act, which was first passed in 1961, assists small business to access financing for investment purposes, et cetera. The amount after this budget increased from $100,000 to $200,000.

I think that is a good initiative, but there are two problems with this. Of the 1,700,000 entrepreneurs in this country, I would venture a guess that probably 95 per cent of them are not aware it exists. Second, and I would like to ask my colleague from Sudbury if she has had similar experiences, I hear from a lot of my small businesses on Queen Street, Gerard, Danforth, Pape, et cetera, that they are having a tough time maintaining

their lines of credit. Many of them are below $100,000, let alone getting an additional $100,000.

I would like to hear from my colleague and see if she has had the same experience.

Mrs. Marleau: I have definitely had the same experience. I know of many people who own small businesses who have been horribly burdened by a lot of the taxes brought forward by this government. They are having a very difficult time keeping their heads above water. Many of them, by the way, are going bankrupt. That is where the bulk of the bankruptcies lie, in small business. I tell you: You have done very little to help them because, again, as I said during my speech, if you are in trouble, no one will advance you any money. If they will not advance you up to $100,000, why would they advance you up to $200,000 when you are in trouble? I have yet to have found one small business person that is in trouble who has been able to get any kind of loan. I will tell you it is a very serious, misleading sort of statement there because that is not hope for small business. Small business needs more than just nice words. It needs concrete policies to help them get through this.

• (1730)

The Acting Speaker (Mr. DeBlois): The hon. member for North Vancouver. I would appreciate it if the hon. member would indicate to the Chair if he is splitting his time with another colleague.

Mr. Chuck Cook (North Vancouver): That was the first thing I was going to mention, Mr. Speaker. With your consent, I will split my time in order that more speakers may have an opportunity to be heard in this debate.

My comments will be in a slightly different vein from what we have been listening to today, I think perhaps much more philosophical than some of the comments.

I have been a participant and have listened to and watched this kind of debate for something like 13 years. I think some of the opposition speeches I have heard are quite good, as a matter of fact well done. We did the same speeches between 1980 and 1984 with about the same results in terms of affecting government policy.

There is one question that does not seem to be asked here. I have yet to hear a speaker even mention the subject and perhaps it is the most important subject facing this country and this House of Commons today. I do not hear it being mentioned on the government benches particularly nor on the opposition benches. That question simply is: Can we afford it?

What can we afford and what can we not afford? With a really creative budget, if we were to gather together all of the ideas expressed by the opposition, put them together, the amount of spending would be absolutely massive and massive spending at this time is the last thing this country needs.

What people seem to forget is that the whole world is in a restructuring mode. The economic world order is in a process of changing radically. I suspect it is the largest change that has taken place in economics in the world since the industrial revolution. If that is going on, then I will forgive my own government for not being able to go against the trend of the new economic world order, but I would suggest to all Canadians that they consider very carefully what is taking place throughout the world, which means that an individual government of any country, and you could look at them all, really has little to say or can influence the total world significantly today. In John Donne's words: "We are not an island unto ourselves" and that bell is tolling for all countries and all economic orders in the world. We have seen some of it in eastern Europe. We are certainly seeing a restructuring taking place in the United States, North America, Central America, throughout the world. Things are changing and changing radically.

I cannot agree to massive spending in an attempt to go against world trends. To use another analogy, I am not really sure that massive spending would have helped the Luddites in the economic revolution that took place with industrialization at all. Massive spending is not the answer. Time, perhaps, will help, doing what you can to help individuals and people, but note the qualifier: doing what you can. I personally, and I think a great many Canadians, do not believe that you can solve problems by throwing massive amounts of money at them. If you would like an example, let us talk about Atlantic Canada and the maritimes. Certainly over the last few generations, massive amounts of money have been thrown at Atlantic Canada and look at the results; not very much.

We have a new world economic order, the greatest structuring since the time of the industrial revolution. That brings me then to the solutions being offered. Let us deal with all parties. I am attempting to be pragmatic and fair. If I look at the Liberals, all I have to do is look at their record and listen to their speeches during this debate. Obviously they would go back to what they did so successfully and for so long, spending massive amounts of money, building up the national debt, paying no attention to the fact that their grandchildren and mine will still have debts to pay off as a result.

If you look at the New Democratic Party, it would do even more. We have evidence of that already in the present NDP government of Ontario. Do not forget a $10 billion deficit for the province of Ontario will grow and will be there for some time. If that is the economic policy of the New Democratic Party, as much as it wants to help people, as much as it feels that everyone should be helped, somebody has to pay for it.

That is one of the things I note in this House that people tend to forget. Who is supposed to pay these bills and how are they going to be paid? There is little thought given to that. I suppose the Canadian public does not give that much too it as well.

Let me talk briefly in terms of our own party. I do not particularly like our present budget if you would like to know. I think 1 per cent cuts, things like 5 per cent off cabinet ministers' salaries, travel restrictions where you cannot fly first class—I have not found a first-class flight in a year anyway—are cosmetic. I do not think they were needed there and I think they are somewhat dishonest as well. I wish we did not have them there.

However, over all, the Minister of Finance has done a good job with what he had to work with and with the times in which he is preparing a budget. We are into a situation where the best thing we can do is try to hold our own, not increase spending, and sincerely hope that the world turns around and starts recovering. I doubt if there is going to be any major recovery in Canada until we see the world straightening itself out. There is little evidence of that at the moment.

I do not mean to be depressing about the whole subject, but I also do not believe that any Canadian government is alone. We are part of the world and we survive by being world traders. The more world trade we can do, the better off we are.

I should also mention that other party that perhaps is the one that is talked about most these days, and that is the Reform Party. We have the huge spenders, the NDP. We have the spenders, the Liberals. We have the Conservatives and, for a change, that name means something, attempting to conserve, attempting to be conservative. And then you have the Reformers. If we can believe what they say, they would cut and slash throughout government. It is almost a situation of throwing the baby out with the bath water because they would disrupt this country and the governing of this country to such an extent that it would take years to recover from it.

I just lost another group of friends.

Remember, in government operations we have done a couple of good things over the last few years. It has not been as good as I would have liked, but we have turned an additional government operations deficit of $16 billion around to a surplus of $13 billion. That is pretty good action in terms of government operations. A lot more of them could and should perhaps be cut down.

• (1740)

Just remember, every dollar this or any government spends when it is added to the deficit means another dollar for your grandchildren to have to pay. Why were we sent here? We were sent to this place to attempt to do the best we can for the people we represent. Obviously, there is a difference in viewpoint between the three parties as to what we feel is the best thing to do.

We seem to have forgotten that the initial purpose was to do the best we can for this country, but to do it in a prudent way. We are in a situation where our spending must be cut back. Spending is being cut back. We are preparing for a situation—

The Acting Speaker (Mr. DeBlois): Order, please. I invite the hon. member to end his speech, please.

Mr. Cook: To conclude his remarks in five seconds. In any event these are some of the things. I wish every member would think about them and realize we cannot go on spending if we hope to have a country for the future.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, first I want to say that I agree with my hon. friend from Vancouver when he describes the reduction in cabinet salaries and the abolition of first-class air travel for MPs as cosmetic. I agree with him. I think it is

tokenism. I do not think the government will score any Brownie points with that budget initiative.

I want to get on to something else. My hon. friend from Vancouver was talking about the global changes, the restructuring of the world economy. It is true. There is a major change going on. It is hard to say where it is all going to end. It is hard to say where Canada is going to wind up in this major world-wide restructuring that is going on.

What I find rather passing strange, when it comes to the budget and when you take into account the restructuring of the world economy, is this government's decision to abolish the Science Council of Canada and the Economic Council of Canada. To me, it makes no sense. It seems to me that at the very time when there is this major alteration in the world economy, and where a lot of us really do not know where we are going, it is sort of like travelling in the dark, at the very time when we need independent research and independent advice from independent bodies like the Science Council of Canada, the Economic Council of Canada, what does this government do? It abolishes them. It does not seem to make any sense.

There is no way it is going to do without some kind of consultation, without some kind of independent research. It seems to me that there will be no saving to the taxpayer. The government will have to go to independent or rather private think-tanks like, for example, the Fraser Institute which is located in his home city.

I ask the hon. member, does it make any sense to abolish these advisory bodies? It does not to me.

Mr. Cook: I have two points in regard to the hon. member's comments. The first point is this. There are parallel organizations to both the Economic Council and to the Science Council. As a matter of fact, most of the work now that the Science Council used to do is being done by an advisory group.

I come back to my initial and original point and would re-emphasize it again. They would be nice, yes. Can we afford it? I wish that question would be asked more often by more people around this place. Can we afford it?

Lots of things are nice.

An hon. member: Can you afford not to be without it?

Mr. Cook: Yes, we can afford to be without both of them because you will see the workload will not change.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Resuming debate. The hon. member for Beauce, who has 10 minutes.

Mr. Gilles Bernier (Beauce): Mr. Speaker, I welcome this opportunity to say a few words about the budget. There has been a lot of comment, and editorial writers across Canada, both anglophones and francophones, expressed a lively interests this morning in the budget. I think on the whole their reaction was positive.

Yesterday, the finance minister brought down a budget that apparently sent a signal not only to the federal apparatus but to all other levels of government, including the provincial government, the municipal government and school boards across Quebec.

I visit my riding regularly, and for many months I have been meeting hundreds of people, both in my riding offices and at special events. Every time people said that governments—and when they spoke to me they meant the federal government—should cut spending and stop using the credit system they have used for 25 years.

Incidentally in early January I wrote to the Minister of Finance and told him what my constituents had said, that people were starting to have enough and were irritated to see how governments were acting. I also told him that our Quebec caucus committee on spending cuts had come up with 32 points where government spending could be cut.

Of course the government apparatus had grown fat over the years, thanks to our predecessors, and the annual deficit was out of control. When we took power in 1984 we had an accumulated debt of over $220 billion and interest rates started to climb. As a result, today we have a national debt of more than $400 billion and an annual deficit that we reduced from $38 billion to about $30.5 billion. Interest rates were steadily going up and inflation was not under control.

Today we have good news. I think that it is because of previous budgets that clearly told the public that it had to make sacrifices. As part of our economic plan, we are still trying to lower the rate of inflation.

I remember that in 1982 when I was a businessman in Beauce inflation was 13.5 per cent. Today we have reached a record 1.6 per cent, the lowest since March 1971, 21 years ago. Since our government's restrictive policies brought inflation under control and interest rates are down, I think that with a budget like the one we presented we can do good things for the people not only in Beauce but in Quebec and in Canada.

On behalf of my constituents in Beauce, I told the Minister of Finance that we had to cut in several areas. I listed them and it was publicized in Beauce. People know my position on the budget presented yesterday. I must say that our finance minister listened to his MPs, who listened to the people.

Today *The Budget Papers* show that drastic measures have been taken. We want to make cuts in many places: grants, contributions and other programs. On page 84, we read: "Reflecting the need to make the deficit reduction and expenditure restraint thrusts as broad as feasible, a wide spectrum of grants and contributions will be reduced. The savings will be $170 million in 1992–93, $71 million in 1993–94". People will have an opportunity to read it. Copies are available in our constituencies. All these cuts will be made so that we can have funds for new programs to stimulate employment.

• (1750)

We are eliminating the waste due to overlapping and duplication in the federal administration. The government machine was simply too big. We are eliminating the waste due to duplication with the private sector. There is the possibility of strenghtening particular sectors by combining related organizations and their functions and the need to postpone desirable initiatives that the government cannot afford to finance right now. We are continuing to privatize commercial activities that no longer serve the needs of public policy.

Canadians clearly indicated that they want the government to live within its means. They want a smaller burden imposed on them by the public sector. It has been mentioned that the salary of the Prime Minister and his ministers was cut by 5 per cent. This is not where the emphasis should be put. We have streamlined federal administration by cutting 46 institutes, commissions, international centres, boards, monitoring agencies and advisory committees. There are many. The axe fell on 46 of them yesterday at midnight. The equivalent of these corporations is easily found within the Department of Science and Technology where basically the same work is done.

Projects such as the Canadian Race Relations Foundation and the Canadian Heritage Languages Institute are postponed. We will merge or combine some other corporations or other groups to save money. We will privatize corporations. We will cut $2.2 billion in National Defence.

I said earlier that we have been living on credit for 25 years. We have created an excessively heavy governmental apparatus. It took a few years to streamline this apparatus, because we had to get to know the organization inside out.

The 1992 budget will cut spending by $1 billion next year and by $7 billion over the next five years. We have had to take measures that were not always popular. In the past seven years, we have made a tremendous effort to cut public spending, but I think the finance minister has now come up with the kind of proposals Canadians were waiting for.

The expenditure control plan introduced in the 1990 budget and extended by last year's budget will be broadened and deepened. Defence spending, as I said before, will be cut by a total of $2.2 billion. Non–wage operating budgets of federal departments will be cut by 3 per cent. That is a lot of money. This will save $150 million next year and $800 million over a five–year period.

First–class travel for members of Parliament, senators and senior public servants, already subject to restrictions, will be eliminated altogether. It does not make sense to have senior officials flying around the world at great expense. One senior official does not matter that much, but when you have 1,000 across the country running up this kind of expenses it is time to pull the plug.

The growth in spending by Canada Mortgage and Housing Corporation on social housing will be held to an average of 3 per cent per year. The government will also set aside funds to review the tax treatment of family budgets. This is important, but unfortunately I do not have enough time to expand. I do know a number of useful initiatives have been taken and that my constituents will be very pleased. Of course there are a number of so-called tax experts and economists who make sweeping statements and say that ministers' salaries should be cut by 5 per cent. The budget does more than that.

I prefer to listen to what was said by the economists who came out yesterday in support of the government. There is a reference to "Wilson's iron hand in Mazankowski's velvet glove" in Alain Dubuc's editorial in *La Presse* this morning. "Without necessarily being a reason to rejoice, the budget brought down yesterday afternoon will probably be the least unpopular Tory budget we have seen so far, not only because it does not hurt as much, but because for the first time the Tories have managed to square the circle; in other words, reduce the deficit and taxes simultaneously".

No tax increases, no increases in income tax, and at the same time we reduce the deficit. That is why I think we should support what the Minister of Finance is trying to do. I think that each department will go ahead and implement these decisions, decisions based on the recommendations members have made to the Minister of Finance who has listened to them. We have pleaded the good cause on behalf of our constituents. The people from Beauce will no doubt be happy to know that this budget contains no tax increases but does contain spending cuts.

[*English*]

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I would like to ask my colleague to comment on two aspects of the budget.

First, he commented about listening to his constituents and in the budget the finance minister talked about consulting with Canadians, business, labour, voluntary and social sectors, students, managers and farmers.

The finance minister also met with the provincial premiers. I know that the premier of Ontario and the premier of Alberta had asked for RRSPs to be used as down payments on homes. The finance minister for Quebec had asked for controls on government deficit. The Nova Scotia premier asked for a reduction in tax levels and the premier of Newfoundland asked for restrained government spending. These things were in the budget.

I would like him to comment on whether he believes that the finance minister listened.

The second comment was about how the finance minister was able to reallocate spending. The example is the new child tax benefit in The Budget Papers. The cost to do that particular program when it is mature is about $300 million.

However, the finance minister by the equal tax treatment of common law couples and married couples is able to save $280 million, which basically pays for the program. Is the member impressed with the finance minister's ability to reallocate spending?

[*Translation*]

Mr. Bernier: Mr. Speaker, I would say that the steps taken by the Minister of Finance and this government are incentives. This reallocation of spending and the ensuing cuts will do a world of good to our balance sheet a year from now. Over time I am sure this will, as my hon. colleague mentioned, give us the tools we need to keep working at creating jobs. It is clear that this cannot be done overnight, but by cutting spending we bring the deficit under control and foster low interest rates which make borrowing quite affordable for the Canadian people as well as a controlled rate of inflation. With control there is more money available for social programs.

I think the social programs listed in the 1992 budget speech are far-reaching, national programs that will benefit the Canadian people. The effects will be felt in a year or two. We could have let the deficit keep on increasing as the previous government did. The Liberals never cut expenditures during the 22 years they were in power, pleasing everybody, creating programs, spending money and helping friends. That is the role they played, but now we figure that people have had it with that kind of useless spending.

Streamlining will improve budget analysis and their application to direct job creation. I know that the incentives concerning our manufacturers contained in

this budget will promote job creation in the long run. We must first maintain the jobs that are there. That is very important. Were the recession affecting only Canada there might be an easier way out, but it is world-wide. If every government in the world took steps, and particularly those in our country—I urge my provincial colleagues, the councillors and mayors at the municipal level and the school board administrators to follow our lead and to cut spending, cut surpluses and streamline—we would all be better off.

• (1800)

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I welcome this opportunity to join in the debate on a very important budget at a very important time in our country's development. Every budget gives us a chance not only to comment on what the Minister of Finance has to say, but also to reflect upon the situation in the country.

I would like to address the question of the structure of the economy and the failure of this budget to address it. In the last three years, partially as a result of the free trade agreement and partially the result of a number of structural changes in the Canadian economy, the Canadian economy has been unable to create the wealth to sustain government activity. At the same time the strategy of this government has been to reinforce the failure of the private sector to create wealth, and the fact it is has only created debt itself.

We come into this budget with the reality that we have been unable to find ourselves with a presentation since the formation of this government of under $30 billion a year. The annual debt and an accumulated debt are now estimated to be in the neighbourhood of $450 billion. It does not take a genius to figure out that although it limits the government's actions every year there have to be voices in the House to say that some people are responsible for this. The responsibility of the government is to make sure that Canadians are better looked after in some changes in the way it has structured this economy and in the way it has structured this budget.

It is without apology that I say that this budget is another failure of this government to respond to the great economic malaise we find ourselves in, in the hope that people will begin to listen, to understand that other countries have found other strategies out of recessions such as this. In our history since the industrialization of Canada, whenever our government has chosen to sit back and to do nothing in times of economic crisis, the recession or the depression has only worsened. The Keynesian strategy of using capital works and public consumption to gear up the economy is one which has been successful one decade after another.

Many times people respond to me by saying that is just another cliché, that is just another Liberal position. I would like to point out that one of the major differences between the Canadian economy and the American economy is that the Americans can rely on private consumption to pull themselves out of a recession or out of a depression. In markets in excess of 250 million people, there are those who can spend their way out. The production facilities are there and so on. The logic of the American economy is to use private consumption to generate enough demand which, in turn, begins the cycle again.

In Canada, with our weak markets, our small markets, the fact that most production takes place offshore, either elsewhere in North America, in Asia or in Europe, means that the way we generate wealth in this country is entirely different. The failure of this budget to deal, first of all, with the creation of wealth is astounding. Second, the failure of this budget to deal with the consequences of not having wealth is also outstanding.

The fact that we have 10 per cent unemployment accepted as a structural reality in the Canadian economy, in this budget, is amazing. The fact that we have a UI system which translates into people being taken off UI and put on to provincial and municipal welfare systems also undermines the stability of the economy and reinforces the reality of the 10 per cent figure for unemployment which is in fact much higher.

Depending on whose figures we want to use, we have somewhere between two million to 2.5 million Canadians out of work and living either on welfare or on UI and unable to find even a temporary position, let alone full-time successful employment.

I was happy to see in this budget the government wanting to deal with a couple of questions of pressing concern in social policy. It has been a while since we have had an initiative on this government's part on the social policy front. I think it is a beginning with the question of

child poverty which should be commended and should be supported. As I will note throughout my speech today, that is not sufficient in its approach, but nevertheless the minister should be congratulated on combining a white paper on the reform of the child welfare system or the child support system, along with the economic statements. I hope that the white paper provides an opportunity for the House to continue this discussion and also to have extensive discussions and consultations with groups outside Parliament.

In dealing with the question of poverty in this country, which this budget seeks to address, we have heard through one report after another of the crisis among children in poverty. This government seeks to address it by answering one of the most important components of the problem—cash in low income families. By targeting children in low income families, it helps to begin the process by providing the resources needed to look after the basics.

In the history of North American social policy, that is considered to be but one component of a multi-pronged strategy needed to answer the question of child poverty. Up to the arrival of this particular government, in the history of Canada, dating back to the 1930s, we saw a series of initiatives to deal with child poverty which have been severely undermined in the past eight years. Here I am referring, for example, to questions of food.

For the first time since the depression, we have to deal with the reality of finding food for children, either in the schools or in the food banks. It has been largely a voluntary effort and we support the voluntary organizations such as Winnipeg Harvest which have been delivering food to children for the past couple of years, but we also have to deal with the reality that these organizations need support. It has been recognized in our major urban centres of Winnipeg, Vancouver, Toronto and now Montreal that as of September publicly funded food programs will be needed in the schools. This particular budget is silent on the needs to expand the Canada assistance program to make sure children have food.

Second, one of the foundations in social policy for addressing questions of child poverty is that of the adequate provision of housing. We have, for many years, tried to put on the market in large and small centres, but particularly in large centres in Canada, as many housing units as possible so that children have a place to go to in the evening, their families have a place to sleep, all these basics which have been taken for granted.

We find in this budget, once again, a cutback in social housing. More astoundingly we find the elimination of the co-operative housing program which was an excellent process for combining the resources of individuals with the resources of government to build a significant number of units to which low income families have had access. I am very sorry to see the demise of this program. When you juxtapose it to the initiative on child benefits, you see that on the one hand the government has taken away support systems while the other hand it is putting forward the promise of other benefits.

A third area in which looking after children is very important is the area of health care. We have long used Canada's national health care system to ensure both preventive medicine as well as responsive medicine for children is available in every community. The tremendous cutbacks in transfer payments to the provinces are having a devastating effect on the health care system. This is recognized by members on all sides of this House and it has been recognized by every provincial government. We need further support for the medicare system so the basic health needs of children can be addressed.

In addition, we have used education as the major source of mobility for children. We now find that because of the offloading of costs related to changes in the UI programming and transfer payments, more and more of the problems related to inner city schooling, for example, have been put on school boards which can no longer afford the programs to support children from poor families. They can no longer support, for example, English language or French language training for new Canadians.

This means that poverty becomes a more permanent condition in our inner cities because school boards and municipalities cannot respond to the needs. They cannot respond to the needs because the taxpayer at the local level has been overburdened. That is because the province has to offload costs to protect their tax base. The province has to offload because the federal government has cut back so much.

We find, if we look at the basics of education, health care, housing and food, the government has walked away from four of the most essential ingredients in the support of children in our society.

• (1810)

I would like to take a minute to point out that one of the great gaps in this budget is dealing with aboriginal children. As we all know, we deal with aboriginal youth, particularly on reserves but also in Canada's larger cities. Very few aboriginal families are captured by the tax system and their support systems are very important.

This budget is silent on the question of aboriginal development, except to note the cutback in excess of $130 million to organizations delivering services such as child welfare, education and health care.

We find that before we discuss the actual child benefits package, we had better be sure that we understand the exact implications of the total strategy of this government. It has so undermined the life of children in this country that it now has to bring together a package which only begins to address the problems it has created for itself.

The program as outlined by the white paper attached to the budget has been welcomed by many of the groups involved with poverty and developing public policy on poverty for the past decade. In this context, the government has developed some good-will among groups which have been long seeking some income support for low income families.

The question becomes: Where does one find the money? The immediate response of this government is to argue that through the end of universality, one will make moneys available to low income families. The spectre is raised many times—it was raised by the minister today in Question Period—of why Canadian taxpayers should support a family where the income earned is $250,000.

That is not the question to be addressed. The question to be addressed is how does the ordinary Canadian working family maintain support for their children? The question does not become the traditional argument of targeting versus universality, but how does one reach out and make sure that families which need support are kept within the framework of social policy and not shunted aside?

When one begins to set aside that rhetoric of the initial position in the white paper and in the tax papers and begins to look at it more concretely, one finds that Canadians are being asked to pay a very, very high price for having the child tax benefit program.

It is only for families whose income rises above $40,000 that the benefit is marginal in this new system. Members should not forget that this is the big shift that no one wants to talk about. We are no longer talking about individual incomes, we are talking about family incomes.

The price that we are paying for the end of universality is marginal to the healthiness of the individual families that we are trying to reach.

For example, if two people are working in a family and they are both earning a very modest $25,000 a year for a total of $50,000 and if they have two children, the benefits now are going to be about $4 a month. Four dollars a month is marginal in improving the situation of your children.

As we review this budget we should be careful to make sure that Canadians understand that this package is being put together with a little bit of sleight of hand.

For many families earning $40,000, $50,000 or $55,000 a year—do not forget that according to StatsCanada, the average family income is $51,600—when you have thresholds in which you begin to decline the benefits, a lot of the benefits decline at $40,000 and also do not forget that this is indexed the same way that the pensions now are at 3 per cent each year. Every three years, you lose 10 per cent from the thresholds, you find very quickly that the average Canadian family will have access to minimal or no benefits under this.

Ms. Campbell (Vancouver Centre): Inflation is less than 3 per cent.

Mr. Walker: Are you going to predict that for the rest of the life of this program? I want the minister to put her reputation on the line for that. She knows very well that this is just a small window.

Ms. Campbell (Vancouver Centre): I will change the statute if it gets bigger.

Mr. Walker: The minister is taking an interest in the debate. We await her questions and her participation later on.

In the meantime the government has presented a package in which each of the documents is presenting a slightly different figure as to what it is. Following the presentation of the budget, the benefits for a working couple with two children at the threshold level of $30,000 are to be about $44 in favour of these families; at $40,000, $44 in favour of these families; and then an anomaly: it is slightly more at $50,000 and drops off dramatically right after that.

I want to point out that many Canadian families in large metropolitan areas will assume when a government talks about targeting and helping out working families that it recognizes that the tax burden put upon those families in the last seven years has been very difficult for them to manage.

There have been estimates from independent agencies lately that the additional tax burden put on Canadian families is somewhere between $1,000 and $1,200. We have seen higher figures, but let us use the lower figure. Well, that is a tremendous burden when the return appears to be about $44 per year.

As we examine this proposal more closely, we will see that we must ask Canadians whether or not these benefits are worth it. I am sure the minister would be interested in examining these figures more closely in the weeks to come.

We welcome the beginning of the discussion on one of the most central issues in social policy. That is how we look after our children. We are not particularly happy to see that. We are beginning to pit one child against another.

Family income levels now become an issue as to whether a child is helped. Families with marginal incomes in metropolitan areas are deemed to be too wealthy to be helped and others to be poor enough to be helped. This segmentation in social policy within communities and neighbourhoods in the past has led to devastation and a decline in support for social programs.

This party calls upon the government not to move ahead with this budget but in fact to remove it, and particularly to set up the white paper for extensive consultation so that we may all take a better look at this child benefits package as presented in the budget.

Mr. Al Johnson (Calgary North): Mr. Speaker, I was listening carefully to my hon. friend opposite. I was surprised that he would attack a program which is so fundamentally sound in its basic structure. It opens the delivery of social programs in Canada so that they are available universally to everyone, but they are delivered through the tax system based on income.

Surely he does not expect in any way that people who earn $100,000 or $200,000 a year or even more, should be getting a family allowance. We have this extraordinarily complicated system of giving out money, taking it back, giving it to one person and taking it from another person in the same family.

Can he tell me what he would propose doing to make the system simpler, more fair, and universally accessible to all families?

Mr. Walker: Mr. Speaker, I welcome the question from the member for Calgary North and the question of who has access to the money.

One of the support systems we have quietly provided for Canadian families is to provide a cheque each month for several million women, although the amount has been very modest. In fact, using the figures out of the budget it is estimated that 600,000 women probably will not receive a cheque any more.

The question of who receives the cheque is very interesting. So far the white paper is silent on that. I would be interested to see how the Department of Finance, as it develops this concept of family income, which will be the first time that it has really been developed, decides who actually gets the cheque.

I speak advisedly here, not as an expert, but the sum appears to be a minimum of $100 a month, perhaps more. Then that does begin to affect the family expenditure patterns. It will be interesting to see exactly how we should all work together to make sure that the moneys are allocated properly. It is not a question of having the so-called little bit of money on the side, but in fact it is now a major amount of money to be suggested here.

• (1820)

The question of how to proceed at this point is, of course, the most interesting one facing us in the House. We welcome the opportunity to listen to people and to develop the policies as the Parliament of Canada and to see which direction to go in.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I would like to make a comment with respect to the

jobless because there are about 1.5 million unemployed in Canada at this time. That is a conservative estimate. Some people believe there are even more than that.

It seems that the budget is cold comfort for the people who are unemployed. While the budget is a grab bag of many things, it really does not have a major thrust in attacking the problem of unemployment in this country.

The finance minister even admitted in his speech yesterday that the unemployment rate is going to stay around the 10 per cent mark for about the next two years. That is a lot of pain, a lot of hurt, and is a terrible drag on the economy as well.

I would like to ask my friend from Winnipeg North Centre whether he feels that is a major failure of the budget.

Mr. Walker: Mr. Speaker, I would like to thank the member for Winnipeg—St. James for the question.

In the Manitoba area it is estimated that there are at least 45,000 unemployed and that represents only those who are captured by the UI system. As my colleague well knows, that excludes aboriginal people whose figures are not even included.

The number of people not participating in the labour force in Winnipeg alone is probably 50,000. In Manitoba I would estimate it to be 75,000 to 80,000 people.

As those people get left behind and get left out of the UI training process and have no access to other training, the issue becomes absolutely critical that we find a way to put people back to work.

I was reminded by another colleague that in looking at the total amount of moneys we spend in this country on welfare and UI pay-outs, we would have a work force of considerable proportion if we could just understand that historically we put these peole to work.

Taking the strategy this year that for some reason the less work that we have for these people to do the better off we are going to be is an absolutely absurd strategy. We must take those funds available to us, recognizing that the money is already going out each week—

An hon. member: $30 billion.

Mr. Walker: If it is as my colleague says, $30 billion that means we have roughly $600 million going out each week which just disappears into the system.

There are no jobs, no hopes, no training. How do the young people at the age of 18 put themselves in a situation where they can go to school, can find jobs in the summer and can get a start? Those who are 18 and are not inclined for whatever reason to go to school, what do they do for the next decade?

We are going to wake up here at the turn of the century and, instead of having these glorious speeches about the future of the country, we are going to be trying to explain to a number of people under the age of 40 why we could not figure out what to do with them.

Mr. Al Johnson (Calgary North): Mr. Speaker, I am very pleased to have the opportunity of speaking in this very important debate. I will be brief as I wish to share my time with the hon. member for Hochelaga—Maisonneuve.

First of all, let me say that the budget presented by my colleague, the hon. Minister of Finance, is both a caucus budget and one which clearly responds to the needs of people, particularly the needs of families with children.

As chairman of our caucus committee on family issues, I am very pleased with this. In fact I am delighted that the minister has responded in a very significant way to the recommendations that I and some 30 of my colleagues have worked on over the last two years. In this regard, I would like to thank most sincerely all of my colleagues who have worked to prepare these proposals.

In fact, I would go so far as to say that this effort to bring about one of the most revolutionary changes in the way we deliver social programs is a near perfect example of what can be accomplished when a truly national party is given the responsibility for governing our country.

These proposals received support within our caucus from British Columbia, Alberta of course, all through the west and into Ontario. The enthusiasm and support that my colleagues in Quebec offered was truly heartwarming and I want to offer a very sincere thank you to them.

I wish that everyone in Alberta could understand at the most basic level of love of family and concern for children just how much Quebecers are like Albertans, and vice versa. We would have no trouble in keeping this country together if we could communicate on this basic level. To my colleagues in Quebec, I extend my warmest thanks.

The efforts of our caucus committee were also strongly supported by our colleagues in Atlantic Canada. They, too, understand that all Canadians want a tax system to be fair, simple and supportive of families and traditional values.

I extend to all of my colleagues my sincere thanks, but most of all I would like to thank our leader, the right hon. Prime Minister, for the direction and encouragement he has given us and the Minister of Finance and the Minister of National Health and Welfare for their support and their willingness to take on a reluctant bureaucracy.

Our Prime Minister and the cabinet have clearly shown through this budget that they care about the aspirations of all Canadians.

The new integrated child tax benefit may be the most dramatic change in so far as it changes the way social programs are delivered.

But the other items, such as the new rule allowing RRSPs to be used for home purchases, the general tax reduction, the supplement for low income working families with children, and the introduction of fairness between married and common law couples are all clear indications that this government and this minister care about families, particularly families with children.

The average person in Canada has very simple aspirations. He or she wants to grow up to be a healthy, productive and happy adult, get a job, get married, buy a house, raise children, and eventually retire in reasonable comfort and watch the children go through the same cycle. I know because I am at the beginning of that watching cycle. I care very much about the future of my children and my grandchildren.

This budget speaks forcefully to these good citizens who form the backbone of our society. First of all, it says very simply and clearly that the government is no longer going to tax marriage and quite rightly so. People should not be taxed on their lifestyles.

Under the existing system married couples sometimes get a better deal than common-law couples. But common-law couples, particularly those with children, more often get tax breaks that are not available to married couples. These inconsistencies will come to an end with the implementation of this budget.

There are many initiatives in this budget that will encourage investment and create jobs. Perhaps the most important is that the manufacturing and processing income tax rate will be reduced in two steps from 23 per cent to 21 per cent. Along with this, the capital cost allowance for manufacturing and processing machinery will be improved by 5 per cent and the withholding tax rate on direct dividends will be reduced to 5 per cent.

Tax incentives for research and development will be increased by $230 million. Lower interest rates will be made available to small businesses and farmers who are in difficulty and small business loan limits will be doubled from $100,000 to $200,000.

All of these and other actions will improve the health and the investment climate in the business sector. Five hundred thousand new jobs should result.

• (1830)

As I said earlier, virtually everyone wants to own their own home. The recently announced reduction of the down payment required for a home, plus the budget initiative allowing anyone buying a home to take $20,000 from RRSPs, will put home ownership within the reach of many thousands of Canadians who could not previously afford it.

I would like to note here for our viewers and those listening at home that anyone who does not have a 1991 or earlier RRSP to use in this way and who is contemplating buying a house before the end of the year, has only two days in which to make an RRSP contribution. If he or she makes such a contribution, it should be in the form of short term, say 30 to 90 day notes, so that it can be cashed in before this opportunity expires.

Despite the fact that this option is only available for a short time, I am very pleased that our Minister of Finance has developed such a simple and safe plan to help use RRSPs to get people into their own homes

while at the same time boost the home construction industry and preserve the value and purpose of RRSPs.

The real centrepiece for families in this budget is Canada's new integrated child tax benefit. This represents a totally new approach to the delivery of our basic social programs. The present system is a jumble of contradictions and complicated taxback systems that are based on an outmoded, flat rate concept of universality. This new proposal says that the child tax benefit should be paid through the tax system, that it should be based on income, and that it should be universally available to everyone. This is the proper form of universality. People earning $100,000 this year do not get it, but if their income drops to $20,000 next year they get it.

I am pleased that the Minister of Finance has decided to base the child tax benefit on family income. This combined with his decision to eliminate the difference between married and common law couples will mean that the tax system will be much fairer, and when it comes to taxes fairness is the key to their acceptability.

The future health of our nation is based on our ability to raise children to be physically and psychologically healthy and productive adults. This is the only real insurance that we have for the sustainability of our society.

I am very pleased therefore that the Minister of Finance and the Minister of National Health and Welfare have developed this child tax benefit and that they have included in it a supplement for low income working families, with children. The supplement, which may be up to $500 will assist those families who may not have access to subsidized child care to get out from under the welfare trap. As it reduces with increasing income it is consistent with the over-all model of delivering social support that is reduced as income levels improve.

There are many other ways in which the Minister of Finance and the Prime Minister have shown that they care about the circumstances and aspirations of Canadians and that they listen to their caucus colleagues who bring these concerns and advice to them.

I could list a few in these last minutes I have to speak: assisting Canadians with disabilities; improving their medical expense deductions; giving them education credits; recognizing disability pensions as earned income; and such other things for the environment we live in as removing taxes from ethanol and gasoline mixtures; helping students, very much another family issue, by increasing their education credits; and making retirement plans more flexible. All these things show a sense of caring and concern for Canadians. Cutting the government's own expenditures has been its most important action because in this way we can afford to do all of this without increasing the deficit.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to say that the member for Calgary North should be congratulated. I for one think that he has done terrific work in looking at ways to reform and simplify the basic tax system. We have had some exchange of paper and I know his heart is in this issue and that he is heading in the right direction.

The one thing that puzzles me about this idea—and it is not dissimilar to some of the ideas we have been exploring in the single tax—is why they would wait until January 1993. Here we are in February 1992. The member has been working on this issue, as he said, for a couple of years. He has refined it fairly well.

I think there is a bit of an illusion going on here. It is tantalizing but it really does not come into effect until a year from now. Right now families are in desperate need of this kind of assistance.

Since he is chairman of that special committee and he has obviously had some direct influence on the Minister of Finance to get this issue implemented, does he not think it would ring more true if he could get it implemented by, say, the end of the tax period at the end of April?

Mr. Johnson: Mr. Speaker, I appreciate very much my hon. colleague's comments and his interest in what he calls the single tax and what I have been calling the integrated flat tax. This is a very important concept. I have read at great length his own work in that area. I also respect and compliment what he has done there.

As far as the timing of the implementation of this proposal is concerned, he may have noticed that when I was speaking I talked about a reluctant bureaucracy. We have been working for some time on this issue and certainly have had considerable support, but it has been a very difficult sell to make such a fundamental change, as

he might understand. Because of that, I would say the change has only been agreed upon in the last couple of months and it takes a good year to take something this complex and implement it. I am sure that is why the department has allowed itself the time to do that and the minister needs the time to consider all the ramifications.

The key issue here and what we can celebrate is the minister and the Prime Minister's commitment to this very fundamental change which will improve, I am sure, the way we deliver social programs in Canada.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, this is mostly a comment, but if there is time I hope the member will answer.

I salute him on his efforts for fair taxation for families. I would like to tell him something that a friend of mine who has six children told me yesterday. He told me something I did not know. He is a stockbroker, I should admit. Other than the banks and utilities last year, there was not a single company listed on the Toronto Stock Exchange that made any money.

The government which he supports is dumping gold as fast as it can get it out the doors of the Bank of Canada. The last country that did that, Moscow, stopped doing it a year ago when it ran out of gold. Canada is doing it now at an horrendous rate, to put it mildly. His point is that six gold mines have closed in the past year. We are selling off gold bought at 40 cents an ounce for $400 an ounce for two reasons. One is to keep the dollar at the 84-cent level, which as he said is bankrupting most of Canadian industry, particularly our mining and natural resources sector. The second is to try to come up with a phoney figure for the deficit by selling off the topsoil, so to speak.

I wonder if he has any comments on the fundamental economic policy his government has reflected once again in this budget.

Mr. Johnson: Mr. Speaker, if the hon. member's facts are right, I would share his concern. I for one believe that we should have a somewhat lower dollar, not too low. From the western resource producers' perspective, I believe that would be appropriate.

• (1840)

As far as his comment that companies on the stock exchange are not making money is concerned, I think he will rejoice with me or celebrate with me the fact that we have reduced the manufacturing and processing income tax rate and that this should provide some relief in that area.

[*Translation*]

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, I am honoured to participate in this debate on the 1992 budget. I would like to highlight a few points for the benefit of my constituents in Hochelaga-Maisonneuve.

I am thrilled with the improved taxation for families and I must congratulate my colleague from Calgary North for his efforts and hard work. We will simplify, streamline and improve the assistance we give to 2.9 million families and 2.3 million children in Quebec. Nationally benefits will increase by 400 million dollars a year.

National Health and Welfare Canada has proposed, in a white paper, the new integrated child tax benefit. Canadians know that our future prosperity and well-being depend on our children. Undoubtedly, according to international standards, Canadian children are in very good health and receive good care and education.

Of course parents are chiefly responsible for seeing to the needs of their children, as we have long recognized through our public programs such as family allowances and the assistance provided in our tax system. Those programs will be totally restructured and substantially enriched. The actual patchwork of federal measures made up of three different child benefit programs—family allowances, child tax credit and refundable child tax credit—will be replaced by one single monthly benefit for children under 18.

The new benefit will be as much as $144 per month per child for a total of $1,733 a year. It will also include a new earned-income supplement of up to $500. This benefit will represent a supplementary assistance for working low to middle-income families.

Furthermore benefits will be based on family income rather than personal income and that improves the fairness of this new program. A single monthly benefit is

more simple, more efficient and better adapted to the needs of a family than the actual system which sometimes has the families wait for many months before they get a payment.

The budget also provides assistance to families by changing the deduction for child care expenses. The maximum child care expense deduction will be increased by $1,000 to $5,000 for each child under age seven and to $3,000 for other eligible children.

We will make it easier to own property, by letting Quebec families use funds already invested in their RRSPs. Individuals will be able to use up to $20,000. This means that if there are two people in a family, a husband and a wife, and they each have $20,000, they can invest $40,000 in this home and in the next 10 years they will be able to save $4,000 annually to put back into their fund. This means that they can repay in 10 years, instead of 15, the $40,000 previously invested in a registered retirement savings plan and used to buy or build a house. This measure, which takes effect immediately and will apply until March 1, 1993, will make it easier to buy a house and be a big boost to the economy. Those who take advantage of it will have 15 years to repay the amount withdrawn from their RRSP. As I just told you, they can also do so in 10 years.

The Home Buyers' Plan will help Canadians take advantage of mortgage rates that are now lower than ever, as well as of moderate prices for homes. It will also help buyers benefit from the recently announced reduction in the down payment required for a CMHC-insured mortgage.

This new plan will contribute to renewed growth in the housing sector this year. According to the Canada Mortgage and Housing Corporation, housing starts should increase 15 per cent this year. The real estate industry will benefit from the improved economic climate and lower interest rates. Homes have never been so affordable in the past 10 years, except for a brief period in 1985.

As for providing greater assistance to the disabled, new measures improve the help given to some 42,000 handicapped people in Quebec in order to reduce the disincentives to work that hold them back. The list of expenses eligible for the medical expenses tax credit will be expanded, as will the list of expenses eligible for the tax deduction for modifications by businesses to buildings and devices to assist Canadians with disabilities.

Furthermore, the education tax credit will now be made available to disabled individuals who attend post-secondary educational institutions on a part-time basis, while the definition of earned income for the purposes of pensions will be expanded.

With the increase in education credit, the budget provides additional tax relief to students, who are our most important resource. The amount on which the education credit is calculated will be increased from $60 to $80 per month of full-time study, starting with the 1992 fiscal year. The limit on the total amount of tuition fees and education credits which can be transferred to another taxpayer will be raised from $600 to $680.

The personal income surtax will be reduced. All 4.7 million Quebec taxpayers will benefit as a result of the reduction in the general surtax. It will drop from 5 per cent of basic tax to 4 per cent on July 1, 1992, and to 3 per cent on January 1, 1993. This will increase Canadians' after-tax income by $500 million in 1992-93, and by more than $1.2 billion per year thereafter. All taxpayers will benefit.

Principal residences will continue to be fully exempt from tax on capital gains. The $500,000 exemption for small business will not be affected. The federal budget will encourage economic recovery and promote economic growth and job creation. A number of actions will be taken to encourage initiative and productive investment. These measures will promote the healthy growth of the private sector, which is, after all, the only true source of economic growth and job creation.

The manufacturing and processing sector accounts for almost one-fifth of Canada's economy and its jobs. With over 40 per cent of its output exported, this sector has been particularly hard hit by the restructuring of the global economy.

• (1850)

To help the manufacturing and processing sector meet the challenges of globalization, the manufacturing and processing tax rate will be reduced from 23 per cent to 22 per cent, effective January 1, 1993, with a further reduction to 21 per cent on January 1, 1994. The capital cost allowance rate will be increased for manufacturing and processing machinery from 25 to 30 per cent,

effective for acquisitions made after today. Hence, the Canadian rate will match the rate in the U.S.

Thanks to these two measures, revenues in this sector will reach $40 million in 1991–1992 and as much as $750 million in 1996–1997.

New activity in all sectors will be encouraged by reducing the withholding tax rate on direct dividends to 5 per cent. This will help Canada compete for international direct investment.

[*English*]

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I have a short observation and a question for my hon. friend from the province of Quebec.

I do not know whether my good friend from Quebec has a co-op housing development in his riding, but I do. I naturally have visited that housing project in my riding. I have talked to the residents there and they are mighty proud of their facility. In this particular development there are elderly people, pensioners, and they are very, very happy with the facility. I have not talked to them today, but I am sure that they are very distressed over the announcement coming from the budget that the co-operative housing program has been eliminated by the government.

I should point out that the housing program was certainly a cost-efficient program. It delivered affordable housing to seniors, single parents, disabled and low income earners. Despite the fact that the government sees a saving of something like $25 million over the elimination of the program, I would like to ask my friend from Quebec how he feels about the abolition of the program, whether he thinks it makes sense.

[*Translation*]

Mr. Koury: Mr. Speaker, being an expert in housing in Montreal, it will be easy for me to explain to my colleague the co-operative housing phenomenon.

When you talk about senior citizens, you talk about people who live mostly in low cost housing units. That will continue to exist.

I have built 741 co-operative housing units, and it caused a problem in the Montreal area. People left their residences to move into co-operative or low cost housing units, leaving a whole lot of apartments vacant. Entire buildings are empty. I met people in my riding. Some apartments stayed vacant for 19 months. I know from experience that these people pay taxes but they do not have enough income. Their income is insufficient but they are taxed just the same.

They have to pay the co-ops, but they did not lease their residence. There are lots of apartments like this in Montreal. The present vacancy rate is 7.2 per cent. There has to be a freeze somewhere because people contributing to co-ops will not be able to go on doing so and a disaster is bound to happen. There should be a freeze so that vacant units will be filled and will stay that way. If subsidies are handed out, they should be given to needy people through their revenue. I think it is the best system. Everybody will have some revenue even if they get subsidies. At least, these units will not be vacant while more units are being built and the vacancy rate is 7.2 per cent. It could even reach 7.5 per cent by next summer.

[*English*]

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it was interesting to be in the lockup yesterday and be able to look over the budget and look at the pretty gloss on the budget documents, the budget speech and the budget papers. The initial reading of our finance minister's budget speech was one that left sort of a warm fuzzy feeling. And then, as it started sinking in, you realized that what was inside the shiny cover was in fact not as shiny or as bright as it first appeared. I would suggest that in fact it was a cosmetic approach to soften the image of the harsh realities of the last seven and a half years of Tory rule in Canada.

It was interesting to look at some of the press comments, some of the editorials that have been printed today. Particularly interesting was *The Globe and Mail* which emphasized to me exactly what I had seen when I started, after reading the speech, going into the papers and finding out the harsh realities of what was behind the cosmetic approach. What I found was the same old wrinkled face with a lot of cosmetics caked on it.

In *The Globe and Mail* they say: "Budget illusion: Some Smoke, Some Mirrors", and in the first paragraph they state: "The latest federal budget accomplishes a neat trick, it stands still but gives the illusion of movement". That is exactly the way I feel about that particular budget. It does give you that warm fuzzy feeling. It does make you feel that, maybe they are doing something, but

under scrutiny and under analysis it is obvious that it has gone nowhere.

I would like to touch on a number of things in this budget that concern me, a number of things that I believe are the harsh realities of where this government has gone instead of where it should have gone.

There are a number of things. Perhaps first of all I should say that all in the budget certainly is not bad. There are some positive things. Being a person who likes to talk about the positive, let me talk about some of the positive things. Unfortunately, some of the positive things are tempered by negatives.

I personally feel, as does my party, that the Registered Retirement Savings Plan situation is a good one. The use of Registered Retirement Savings Plans at a time when an injection needs to be made into the economy, particularly in central Canada, makes sense. It makes sense to be able to use some money that is already saved at a reasonable rate and to be paid back over a period of time, thereby answering the critics who say it is for retirement.

• (1900)

Through the use of this particular instrument, it makes it possible for those who have some Registered Retirement Savings Plans but may have difficulty in purchasing a home. That is a positive, but if you analyse what is in the Registered Retirement Savings Plan program, you see that in fact they have opened it up so it can be stacked between spouses. In other words, a husband and a wife can use $40,000 of the Registered Retirement Savings Plan to make a down payment, but it is not for first home buyers. A recommendation of the subcommittee on finance was made within the last few weeks to the Minister of Finance, that it be for first time home buyers only, not necessarily for a new home but for existing housing, thereby helping those who may have been having problems.

By doing what they have done, in effect they have made a situation possible where a couple could live in a home and decide to upgrade. A couple, for instance, my age, who have had the opportunity of paying into registered retirement savings plans and perhaps have $20,000 each in that plan, can pull out the $40,000, move to a new home. There is nothing stopping them from renting out the existing home they have, using their $40,000 out of their Registered Retirement Savings Plan, interest free for 15 years, and taking any benefit that they have from that particular situation.

That, it seems to me, is once again assistance to those who are in a position already to purchase a home, but opening up a loophole to take bigger advantage of their taxable income.

The upside of this, of course, particularly in the riding of Okanagan—Similkameen—Merritt where we have a good number of saw mills and lumber mills, is hopefully it will create housing starts so that we can begin to sell more lumber and get our economy in those areas going, increasing employment, increasing all of the things we need in the area to get things under way. On the other hand, a little further along we see that the government has cut out over a five-year period $622 million from social housing and terminated co-op housing immediately, costing $25 million.

Those who use the social housing provisions, those who use the co-op housing are normally those in the lower end of the economic scale, those who cannot afford to purchase a house, those who do not have Registered Retirement Savings Plans and certainly do not have $20,000 in Registered Retirement Savings Plans, if they have any in order to put into new housing. They are the ones who usually buy into co-ops so that they have a price they can afford and still say they own their own place. They take pride in that fact that they have been able to bring up their family in housing that they own and that they maintain. They know they can either pass it on or have an investment at some time in their future.

In this budget the government built in something for those who can already afford it while taking away, on the other hand, from those who cannot afford it.

It does not seem to be fair. It seems to be the policies that I have seen over the last seven and a half years, and the policies that I have particularly seen over the last three years while I have been sitting as a member of this House, where we have two classes of people.

We have those who have and those who have not, the rich and the poor. More and more we see the whittling away of the middle class, those in between who can afford a little bit of something. Through taxation, the policies of this government, free trade, increases in

unemployment insurance, GST, clawback and you name it, more and more it has hit the middle income earners.

It is interesting to look further and see that in the course of the budget we talk about streamlining. I have no objection to streamlining. I have no objection to making government services more available to the average Canadian. In fact if it were simply that, I would applaud it.

It is interesting to look at the way they talk about it and the type of language they use in the budget papers for this streamlining. They talk about measures to promote improved government service to Canadians.

In the next sub-title, they talk about co-location of services in urban centres and single window services in smaller centres. This does not mean moving all federal public servants in a given city into a single building. That sort of massive relocation would not be cost efficient. Rather, it means co-locating points of service delivery in a rational way and over time to provide better, more convenient service at the lowest possible cost.

If that means giving better service, fine. If it means a continued assault on the rural towns and villages of Canada, then I and my party certainly say: "No. No more. We have had enough". We in the small communities have watched as they have gutted our rural post offices and set up privatized post offices.

We are fighting that right now in Penticton. We are trying to keep the jobs in Penticton, a community of 2,600 where they have closed the main post office. They have privatized and now have threatened 12 more sorting jobs and moving in this type of so-called increase in service to a larger community to the north, Kelowna.

Twelve jobs to a population of 26,000 are a lot of jobs, but I look at this. Does co-location mean taking services and moving them into the larger centres? For instance, in Penticton, we have about 30 people employed by the federal government in veterans' services. They service the whole southeast part of British Columbia, from Merritt in my riding across to the border in Kootenay East.

Does this co-location of service mean that they are going to move this service to Kelowna or Kamloops? It would cost another 30 jobs in the city of Penticton, on top of the potential 12 jobs lost in the post office. If that means also the movement of the Ministry of Health and Welfare, Old Age Security and Canada Pension Branch that employ about three people in that same building with the veterans' services to somewhere else, perhaps to Kelowna, making all of the people in the south end of the Okanagan Valley use a telephone when they are seniors who like to deal face to face, then I say no. My party says no. Enough of this gutting of rural Canada. Let's make services better for people, but let's serve the people. Let's serve the people who we are supposed to be serving. Let's be reasonable about this.

In my critic area of small business, I note in the budget that there are supposed to be some benefits. It seems that they spend a lot of time in the budget papers talking about how good they have been and how well off small business is. Certainly, if we look at the bankruptcy figures over the last two or three years in particular, I think you will agree with me, Mr. Speaker, that they have not been very kind to small business in Canada. In fact the fiscal and monetary policies of this government are driving small business into bankruptcy, into receivership. In some cases those who have not gone broke are moving across the border.

• (1910)

What have they done? They have set up in this budget a small business financing program. Under this program the small business corporation or the unincorporated business will be able to issue small business financing instruments. In talking to the finance department officials, it appears that this is lifted straight out of a bond issue situation act that was prior to 1987 and will probably only apply to banks. Does this mean it is an effort to simply ensure that banks have the opportunity of added insurance against loss? It does not appear to be.

If there was an investor, that investor would be able to come and buy in. In fact, by the next page we see that it is restricted to corporations, individuals who are viewed as being unable to obtain ordinary financing and who are already in financial difficulties. If they have to go out and get the financing because they are in financial difficulty, it is very unlikely that any of the financial institutions are going to take the chance anyway. If they are in financial difficulty, you can be certain that they have already got chattel mortgages and mortgages. They have already got

their book accounts tied up. They do not have anything with which to bargain. Who is going to come in after all as a lending institution and take exactly the same amount that they could get by lending somewhere else? It is just not going to happen. It is more window dressing. It is more smoke and mirrors. It is an attempt, it appears to me, to look like they are trying to help the small business community, but it is doubtful that it will work.

The Small Businesses Loans Act increase to $200,000 is applaudable but once again, as has been pointed out in some speeches and questions in the House already, it is apparent that most small businesses are not aware of the Small Businesses Loans Act and, if they were, would not use it at any rate. It is very cosmetic. They have not really looked at the source of what the problem is for the small business community. You do not have to look very far when you look in here and you see that the goods and service tax is bringing in money, and you see what is has cost the small business community over the last year and some months since it was instituted.

Throughout my riding and throughout a number of other ridings across Canada that I have been in since January 1, 1991, it is apparent that not only the small business community has been hurt by the GST. It is apparent that even larger industries, including the forest industry in my area, have all complained about the problems with the GST, the problem with compliance costs. It is interesting to look at the estimates of the Canadian Federation of Independent Business. Their estimate of the cost to business in 1991 is a staggering $6.6 billion to collect the GST for the federal government. They estimate that the cost in 1991 of complying with the collection costs for the GST to small business is $4.5 billion.

This is added on top of the problem they already have in people being so annoyed at the goods and service tax that they are not purchasing any more. They are annoyed that those in the band across lower Canada against the United States border are going across into the United States to buy their goods and in many cases buy their services.

We have to look very carefully at the goods and services tax. There is nothing in this except some wonderful words telling us that the goods and services tax is on target.

It may be on target but it is certainly hurting everyone. If the arrow has hit the target, it is killing small business. I think this government has to face up to that fact and has to do something about it.

Even the Canadian Federation of Independent Business and other businesses have suggested to the government that if it cannot harmonize, cannot knock off the tax on certain things that people normally use or need, such as fuel services and whatnot that are so expensive in Canada, then it should get rid of the goods and services tax. To that I heartily agree.

In order to get this economy going, the government was warned it must drop the goods and services tax.

What hope has this budget given to the average man on the street? Nothing. The government talks about tax breaks, a 1 per cent cutback in the surcharge. That amounts to some $19 in the first year to a person with a $30,000 income. What is that going to do for the economy? That is really something, $19 in the first year. While the government gives $19, it takes back in the other hand.

In this budget the Minister of Finance has admitted to the end of universal family allowance. The first major step was the clawback. The second major step was the admission that universality had ended. Today, family allowance; tomorrow, old age pension. Will it be medicare in the future?

I will fight against this. I will fight against cutbacks in the old age security. I will fight against universality attacks by this government in the future on medicare.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I think there was a sigh of relief right across the country when it was discovered yesterday that there were no tax increases in the budget.

Most Canadians feel that they are taxed far too heavily. They are fed up with the rate of taxation in the country, so there was that sigh of relief.

However, when we look at the figures, one has to put these tiny decreases in perspective. The previous speaker from British Columbia alluded to this. When it comes to a family earning $40,000, the surtax decrease will be only $27. By the way, that is after raising the taxes $1,000 in recent years. For a one-earner couple with two children, earning $20,000, the finance minister is going to give them a $6 relief. For families earning $15,000, there will be a whopping $2 cut in taxes.

It seems to me that we cannot get the cuts much smaller than that. I would like to know what my friend from British Columbia felt about that.

Mr. Whittaker: Mr. Speaker, it is interesting that the smoke and mirrors continue. This is part of the smoke and mirrors where the government can actually say: "We did give you a tax cut".

It is also interesting to look on the other side of it, when we look at the cost of unemployment insurance over the last little while, where the money is going for unemployment insurance.

The government says that it is supposed to go into training. It does some shifting around and yet it does not do any training. The increase in the unemployment insurance that will kick into effect this year in effect raises the taxes on the average employer and on the average employee. They are all going to have to kick in more for that particular aspect of it.

Let me just say one other thing. One of the other cuts that hits hard at a time of high unemployment—and high unemployment means higher taxes because we all have to kick in or we will have higher deficits—the government has cut $1 million from Canadian Jobs Strategy.

• (1920)

That is an area that has been well used by a number of our ridings, a number of areas within Canada and certainly, within the area of Okanagan—Similkameen—Merritt.

Those types of cuts in my area where the unemployment rate is over 4 per cent higher than the national average cuts hard. The cost of that is incalculable.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I am glad the member mentioned unemployment insurance and the cutbacks in retraining funds, despite the fact that there was supposed to be $1.8 billion in the charge-back fund.

Most everybody will understand and recognize the fact that the Department of Employment and Immigration will allow an individual to take a 12, 16 or 20-week course, then go back to the department and may get approved for a separate and isolated program from the first program and if successful, may go for a third separate program.

He or she may get approved for three separate years of training on three different programs, but have refused to approve training for two or three consecutive years which makes eminent sense so that at the end of a retraining program you come out with a certificate.

I have been told by the people in Ottawa that the program is inconsistent across the country. Some employment offices are proceeding with approvals for two and three-year training programs and others have not. It is just a mess.

The people who work in the employment centres have no idea where to go with this. They are saying: "They are grey areas. We are not getting any instruction". They are working on it, but one has to wonder about the sensibility of such an action.

If we want to retrain people, let us do it properly. Let us retrain them so that at the end of their program they have something to show for it, that they really are retrained. I suspect it is somewhat rhetorical, but I would like the member to comment on that.

Mr. Whittaker: Mr. Speaker, what I have seen in my area is a similar problem, where there is a lack of consistency between one area and the other.

One of the problems we are running into in those areas through all unemployment retraining programs and for most unemployment insurance programs, is that because of cutbacks people are not getting proper instruction.

People are overburdened with work and cannot keep up with the massive number of applications for either retraining or unemployment insurance. It is a problem.

When they talk about streamlining service I really question that. In my area I have seen that dismantling of the service is closer to the truth of what is happening and that people have to wait and go on welfare.

Over the last few weeks I have had people come to my office from the social services areas around my riding telling me that they cannot get UI and they have had to apply for social assistance. They cannot get job retraining, they have to wait. Some of them have missed the deadline because of the long delays.

It is a never-ending problem with these people and this government simply turns its back and says: "We are going to streamline the service".

I agree with the member for Broadview—Greenwood. In fact, they are dismantling all of the systems. The service is going straight downhill. People are not getting what they pay for. They are not getting what they expect and they certainly are not getting what they need.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, thank you for allowing me to take part in this debate. As I begin tonight, I want to quote from the speech of the Minister of Finance yesterday:

> I wanted a budget that would deliver a strong bottom line: one that supports the well-being of Canadians and their families; one that promotes the success of our business people in expanding and creating jobs; one that contributes to a strong and more united Canada. And that's the bottom line of the budget I am delivering today.

I think most of us in this House who have analysed that budget would concur with the minister. He has done that.

I go back to a phrase that the minister often uses. I think it is the theme of his budget: "getting the fundamentals correct" or "strengthening the fundamentals". I think he has done that in this budget. What are those fundamentals? Let us look at some of them and maybe help explain them to Canadian people this evening.

The first thing I want to mention with regard to those fundamentals is inflation. It has just been reported that inflation at this point in time in Canada is the lowest it has been in 20 years. It is coming in now at an annual rate of about 1.6 per cent. That is one of those important fundamentals that has to be there for a number of reasons.

We have had many people in our society who have been hurt by the ravages of inflation, not only businesses but our elderly. If we go back to the old rule of 72, which is what they call it in the investment world, any combination of numbers that would equal 72 would give us how much incomes can be eroded when we are taking a look at inflation. If we are taking a look at inflation at 12 per cent for six years, that amounts to 72 per cent. Imagine what that does compounded on top of other expenses with regard to the real income of average Canadians. We can also apply that with regard to incomes.

The minister has pointed out quite well in this House in recent days that if we can get down to a 2 per cent or 3 per cent annual rate of inflation, the demands by the work force in Canada with regard to wages will come down as well. They will understand that a 5 per cent or 6 per cent increase in wages in relation to a 2 per cent or 3 per cent inflation rate is much better than a 15 per cent wage increase when they are looking at inflation of 11 per cent or 12 per cent.

That fundamental of getting inflation under control is a very important one. As I say, it not only affects our senior citizens but also the working class. I believe that the minister has done that.

If we take a look at interest rates, we see that right now in Canada they are the lowest they have been in 20 years. That has to be good for investment. It is not only good for investment but it is also good for homeowners, those people who are considering purchasing new homes.

As pointed out earlier, the difference between interest rates today and what they were 10 years ago reduces a mortgage on a $75,000 home by over $300 per month. That is very important to recognize because it is a saving for those individual families.

Going back to my opening remarks with regard to inflation, if we are paying less that means we have to earn less. Our demands on our employer are not as great and we have freed up some money to do other things with. Again, it is a very important concept which I think the Canadian people now understand more than they did last year because they can see clear evidence in their daily lives that it is working.

Again I go back to interest rates today versus where they were last year and certainly where they were two years ago. If I go back 10 years, I know we were in the 22 per cent range with regard to interest rates.

• (1930)

Along with that we have to take a look at the value of the Canadian dollar. In Canada we have not decided yet whether we like a low dollar or a high dollar, but we do want a stable dollar. Those fundamentals have to be there in order to achieve a stable dollar, a stable

currency. That means the other part of the equation, the debt burden we carry as Canadians, has to be stabilized as well.

That leads me into some of what the minister pointed out yesterday with regard to our debt situation or our deficit situation on an annual basis. He is going to maintain the deficit at somewhere in the order of $31.4 billion this year. Next year it will tumble to $27 billion and go down by approximately $5 billion the year after that. Our target was to reach a point of zero borrowing, where we were actually bringing in revenue not only to pay down the debt and pay the interest on it but simply pay off the principal amount of the debt. That is the secret to the big equation. That is something we have not been able to do as a government, because for many years leading up to 1984 that debt was allowed to multiply at such a rate that when we assumed office we could not generate the necessary dollars to pay it off.

I think that target of being able to pay off the debt or pay down the principal in the year 1995, 1996 or 1997 is achievable. Last year, despite the downturn in the economy, and it was a very tough year, we did not do all that badly. On the revenue side the minister is pretty well on target. Despite a recessionary year he brought the thing in pretty close to target. This year, with an expected growth of something in the order of 3 per cent, I think the goal the minister has set for himself and the government is very achievable.

We have heard in the last number of days—and we have heard it in the House today as well—about the failure of the government to kick-start the economy or jump-start the economy. That brings me back, when I talk about kick-starting or jump-starting the economy, to an editorial I read the other day in *The Globe and Mail*. It read: "If I hear that term kick-start or jump-start one more time, I am going to call a taxi. When will these people realize that the economy is not like a car engine? It is not like a generator of money that you simply put a charge into it and off you go". We have proven as a country over the years that that just does not work. I do not think we want to follow that course knowing that at the end of the day someone has to pay the bills. Our inability to pay the bills has put us into the difficulty we are in today.

We are not going to follow that course. I am very glad to see that the minister has not taken that course. The only way out of debt is to earn our way out of it, work our way out of it, pay it down and pay it off. We are not going to fall into that trap of kick-starting or attempting to jump-start that money machine. It just does not work.

One interesting statistic that I am very proud of in relation to the government is our percentage of debt in relation to our Gross Domestic Product. If we take a look at our projected deficit and in fact what the deficit is today, we have made remarkable progress. In 1984 the ratio of debt to Gross Domestic Product was in the order of 9 per cent, slightly less than 9 per cent. I think it was 8.7, to be exact. Now we are just a little over 4 per cent. We have cut it in half.

It is very interesting to note that some countries in the western world have gone the other way. As we are going down they are going up. I think we are on the correct course because the Canadian economy, as it grows and as we take the types of measures that we have to take and were taken in the budget yesterday, that number will get even smaller. It is a very encouraging number. It does point to some of the things we have done as a government in relation to the fundamentals. It clearly indicates that we do have them right.

One of the topics the minister mentioned yesterday was in relation to interprovincial trade barriers. It is very important that the minister addressed it. As we know, it is one of the proposals that we are trying to address in our constitutional package. I am pleased to see that the minister did address those yesterday.

There are about 500 interprovincial trade barriers between the 10 provinces in this country. At the end of the day they cost us a lot of money. The economists tell us that it costs the average family of four anywhere from $1,000 to $2,500 a year, depending on whose figure you want to accept. It does cost us something. That cost is felt in communities all across this country.

I believe that it is imperative we address these interprovincial trade barriers, especially when we are negotiating and working through our trade agreements with other countries, whether it is with the United States through the FTA or internationally through the GATT.

As we continue to eliminate some of the trade distorting practices and barriers between countries, we have to take a strong look at what we can do here at home.

We have been attacked or broadsided on universality and that is putting it mildly. One of the things the minister said yesterday in relation to incomes for poor families, and especially for children in poor families, is very refreshing, and that is the system of payment that will go to families which need it. I quote, as the minister did earlier today in the House, what the premier of New Brunswick said about child allowance. He said that there is something ridiculous about a system that allows someone with $100,000 to get child allowance. There are people in my neighbourhood and your neighbourhood who have trouble feeding their families. We should develop a system that addresses the problem a little more realistically. This is what the minister did yesterday.

It was also refreshing to hear yesterday that RRSPs can be used for a down payment on a new or existing home for one year. For example, a married family with both partners having RRSPs would be able to double the $20,000 to $40,000. This is good news for the housing market. It will only be for one year. We are going to try it and we will see how it works. It should be a big boost for the housing people.

In relation to the family, the minister announced that common law couples will not be taxed less than traditional families. It goes back to one of the policies brought forward by our member from Calgary North in support of the family unit. Part of that is the payment that will go to those families in need but the other part of the equation is a fairer tax system for the traditional family. The minister will make that change as well.

• (1940)

The ceiling for small business financing is being raised. In fact it is being doubled, I believe, from $100,000 to $200,000.

Some government agencies are to be eliminated. I have this one highlighted in the budget speech because it is quite interesting. I will step through this if I have the time.

There are a total of 46 separate government agencies that will be affected by the streamlining measures that were outlined yesterday by the minister. Some of these agencies will be wound up or eliminated completely, some will be deferred, others will merge with other agencies. I want to mention some of these. It is important because it is a saving of about $22 million.

I read through this list today for the first time. There are agencies in it I did not know existed. At the end of the day it costs the Canadian taxpayers $22 million. I will mention some of them: the Law Reform Commission, the International Centre for Ocean Development, the Veterans Land Administration, the Petroleum Monitoring Agency, the Agricultural Products Board, the Demographic Review Secretariat, CN (West Indies) Steamships Limited—there is one I did not know about—the Science Council of Canada, the Economic Council of Canada, the Pay Research Branch. That is a new one. The Canadian Environmental Advisory Council, the International Aviation Advisory Task Force and Committee, the National Advisory Committee on Development Education, the Canada Employment and Immigration Advisory Council and on and on and on the list goes.

Some agencies will be merged and some corporations will be privatized: for example, the Co-operative Energy Corporation, the Cape Breton Development Corporation, the Royal Canadian Mint and the Blainville Motor Vehicle Test Centre, one which I have never heard of.

I think those are all good moves on the part of the minister. As the minister pointed out yesterday, these were signals or messages that he was getting from all Canadians, not just parliamentarians, not just provincial ministers, but ordinary citizens. I have had some of those letters, as all of us have in this House, on ways that the government could cut costs and at the same time maintain services.

I believe that the minister has struck a good balance in this budget. As the member for Fundy—Royal mentioned yesterday, he has been in this House since 1978 and he says it is the first time that he can recall a budget coming in where there was absolutely no tax increases, not even hidden tax increases. I think that is encouraging. A signal was clearly given by the Canadian people, one that the minister acknowledges, that we are heavily taxed as Canadians and at some point we have to draw the line. I think he has drawn it very clearly.

To conclude, before we go into questions and answers and responses, in 1984 this government promised, through the life of its mandate, one million jobs. At the time the government was criticized by all opposition parties, but the fact is that in the life of that first

Conservative government, led by our present Prime Minister, we did not create a million jobs. We created 1.5 million. We overshot our objective. We are going to do it again because in this budget the minister is suggesting and anticipating job creation in the order of 500,000 new jobs by the end of 1993.

Because I believe the fundamentals are correct in this budget and the minister is doing the types of things that we have to do, I believe that 500,000 jobs by the end of 1993 will materialize and we will exceed that figure as well.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I would like to ask the member a question. Is it not true that his government has added 34 new taxes, including the GST, which struck disproportionately at low and middle income Canadians?

Is it not true that the government has more than doubled the national debt since taking office, from about $168 billion to $420 billion? Is it not true that it has wreaked havoc for both our manufacturing and natural resource sectors by maintaining the Canadian dollar and interest rates far too high for far too long?

As I said to a member a while ago, they are selling approximately 300,000 ounces of gold monthly on average at the Bank of Canada in an attempt to reduce the deficit and to keep the dollar at levels which are wreaking havoc among Canadians in terms of unemployment.

Is it not true that virtually no Canadian company except the chartered banks and utilities made any profits last year? I am talking about companies listed on the Toronto Stock Exchange, for example. They have allowed the situation to develop in which foreigners now hold about $330 billion in the debt of our national government, our provincial governments and the private sector.

Is it any wonder that *The Economist* magazine this week, taking 13 advanced industrialized democracies, put us ahead only of Sweden in terms of our economic prospects for the next year. They talk about investment. Why would any intelligent person invest in an economy which has a government that is so bad? In my view, there is not a worse government anywhere in the democratic world, a government that knows so little about basic economics, about creating jobs and keeping jobs that it has done the kind of things I just mentioned.

Mr. Thompson: Mr. Speaker, to respond to the member, it is bizarre when you think of it. Here is a guy sitting on the other side of the House now who ran for this government in 1984. He sat on this side of the House for four solid years. He ran for this party in 1988 and deserted us when the going got tough. That is the type of guy he is.

The truth of the matter is simply this. There is only one country in the world that has beaten Canada in terms of economic growth in the last six years, that is Japan, but just barely. In fact this year we are going to lead every single country in the world in terms of economic growth, including Japan.

I just want to point something out. We are always talking. They are always trying to derail the FTA because apparently the Americans are getting the best of it.

The truth is that we are doing a heck of a good job when it comes to competing with those guys south of us. What we tend to do is take a look at things with blinders on. We are having our difficulties here in Canada, and we all acknowledge that. We acknowledge that, but the difficulties south of the border do not even come close to what we are seeing. What we see on television every night is not even close to what is really happening there.

It is interesting to note that yesterday the U.S. Commerce Department released some amazing figures with regard to U.S.–Canada trade. Do you know what they told us? These are U.S. figures. In 1991 Canada's exports to the United States stayed right up there at $91.1 billion traded between the two countries.

After everything is said and done, we came out with a $6 billion trade surplus. That means, for the hon. gentleman who just asked the question, it is in our favour. We did better than they did.

We are competing on a daily basis. There are a lot of jobs in this country that depend on trade with other nations. In fact, 40 per cent of our individual wealth as Canadians depends on trade. We are doing a heck of a job.

I want to give a clarification of those figures. That figure of $91.1 billion is what we shipped to the United States.

• (1950)

After the interchange of goods back and forth, we came out $6 billion better. That tells me we are doing a good job and it tells me that if this member had known what he was doing in 1988 he would have stayed right over here on this side of the House.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have some short comments. First of all, I would like to remind the member for Carleton—Charlotte that my colleague did not desert the government side of the House. He just said to me that he was expelled. We should not leave that misunderstanding in the eyes of the constituents of this country.

When I was listening to the member talk about the inflation rate being 1.6, and it is the lowest inflation rate that we have had in over 20 years, we recognize that. We see that has had some positive effect on the economy.

But one of the negative effects that it has had on this economy is that it has produced this tremendous number of unemployed Canadians, a tremendous number of people who are on welfare.

In this Chamber, this House of Commons, this nation's boardroom, we are not here just to speak for the advantaged and to talk about all the good things that are happening in terms of targets and objectives that we are out to meet. We are here to speak for those in our society who are disadvantaged.

As you are talking about this heavy ratchet you have put on inflation—and I recognize that—you must also recognize the other side of the coin and that is the 3 million people who are out there in deep pain.

We sometimes think that there is a tendency to forget that, you are so excited about the inflation numbers maybe being a year ahead of schedule that you forget about the 3 million people who have been left behind.

I am sure the member for Carleton—Charlotte would agree that it is our responsibility on this side of the House to prick your conscience and remind you about those 3 million people because certainly the Governor of the Bank of Canada is not going to remind you.

Mr. Thompson: Mr. Speaker, the number that the member uses is 3 million. I want to remind Canadians there are 1.5 million Canadians unemployed, not 3 million. I do not care whether he inflates the number at all. That is his business. Whether it is 1 million, 1.5 million, or 800,000, it is too many Canadians unemployed. We do not argue that point.

As I go back in my remarks earlier, we have to get the fundamentals right in order to get the economy moving. He understands that because he understands the Canadian economy probably more so than anyone else on that side of the House. He does. I have heard some of his speeches.

I do disagree with the number that he uses. The fundamentals have to be there in order to get the economy moving. That is what we are doing because we have to have an inflation rate that businesses can live with, where there is stability in the marketplace and interest rates are down.

I just want to remind the member of his leader. When his leader was part of the government in 1981–82 and the Liberal Party had the government in this country, his leader sat over there.

The unemployment rate at that time was 12.8 per cent and rising. Inflation was 12.9 per cent under the government of which the Leader of the Opposition was a member.

Interest rates at the time were 22 per cent. He corrects me. The Prime Minister of the day was Mr. Trudeau, but the finance minister at the time was the present hon. Leader of the Opposition.

Mr. Mills: I rise on a point of order to correct the record, Mr. Speaker. The Minister of Finance at that time was the hon. Allan J. MacEachen.

The Acting Speaker (Mr. DeBlois): Order, please. That is a matter of opinion.

Resuming debate with the hon. member for Broadview—Greenwood.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I only have seven minutes before the day is adjourned. I am going to save the body of my speech for tomorrow morning. I want to finish off responding to my friend from Carleton—Charlotte.

One of the reasons we on this side of the House are so concerned about the direction this government is taking us is the massive dismantling job this government has done in the last eight years, from VIA Rail cuts to the cutbacks in the CBC. There is not a thing in this country that has not been touched by this government. It has been one of the biggest dismantling jobs that we have ever seen anywhere in the world.

While the members on the other side tend to gloat on what they call the streamlining of government, they do not seem to realize that a lot of government institutions like the Science Council of Canada and the Economic Council of Canada are think-tanks that do not always agree with the government. They did not always agree with us when we were in government. They are instruments of provoking and advancing debate.

It is this dismantling that tends to make us very disturbed on this side of the House. Right now we are in the midst of a very serious constitutional debate. Quite frankly I am nervous that this government is in the process of giving away so many powers to the provinces that this place will become redundant; there will be nothing left to do here but send cheques to the provinces.

This country needs a strong national government. This country was built on national programs from coast to coast. That is where we get our national will. That is where we get the thread that binds us as a nation. When times are tough, like the times we have right now, it is this strong national government that pulls us together.

Let us take a look at this budget. This budget barely touches retraining. I dare say one of the reasons we do not have a lot of retraining in this budget is that we are in the process of giving it away to the provinces. We are going to constitutionalize training and give it away to the provinces.

Mr. Thacker: Mr. Speaker, I rise on a point of order. I wonder if my friend opposite would advise the House as to why his party opposed the $1.8 billion of UI funds going for retraining.

Mr. Mills: Mr. Speaker, I am not opposed to the $1.8 billion that we currently use in terms of retraining. When we have 1.5 million people unemployed and another 2.5 million on welfare, that is not enough. When we talk about training and retraining, in the city of Toronto we cannot find spots. We talk in this House about training and retraining, yet when people go to get it, it does not exist. That is the whole problem with this government. This government is one of the most dangerous governments we have ever had in our country's history because it is an expert at communications. It is all tactics and no substance. We are right in the middle of a very serious constitutional debate and I am deathly afraid that this constitutional arrangement that we are playing around with is going to be no different than this budget, just a total sham.

The Acting Speaker (Mr. DeBlois): It being eight o'clock p.m., this House stands adjourned until tomorrow at ten o'clock a.m. pursuant to Standing Order 24(1).

The House adjourned at 8 p.m.

HOUSE OF COMMONS

Thursday, February 27, 1992

The House met at 10 a.m.

Prayers

[*English*]

BUSINESS OF THE HOUSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, in a few minutes we will be having a fairly lengthy statement by a minister and statements following that by opposition members. Just to provide an opportunity for a minister to table a bill and not then have to delay the House, I think you will find unanimous consent for the following motion:

That we proceed immediately with introduction of government bills and revert to tabling of documents thereafter.

Mr. Speaker: The hon. parliamentary secretary has put a proposition to the House and is asking for unanimous consent. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: There is not unanimous consent.

ROUTINE PROCEEDINGS

[*Translation*]

MAIN ESTIMATES, 1992–93

A message from His Excellency the Governor General transmitting estimates of the sums required for the service of Canada for the financial year ending March 31, 1993 and, in accordance with section 54 of the Constitution Act, 1867, recommending these estimates to the House of Commons.

[*English*]

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to table in support of the Estimates part I, the government expenditure plan.

In addition I will table with the Clerk of the House, on behalf of my colleagues, Part III of the estimates consisting of 87 department expenditure plans. These documents will be distributed to members of the standing committees to assist in their consideration of the spending authorities sought in part II of the Estimates.

[*Translation*]

REFERENCE TO STANDING COMMITTEES

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved:

That the Main Estimates for the fiscal year ending March 31, 1993, laid upon the table on February 27, 1992, be referred to the several Standing Committees of the House as follows:

[*English*]

Since there is a detailed allocation of the estimates to various committees and the list is lengthy, if it is agreeable to the House I would ask that the list be printed in *Hansard* as if it had been read.

[*Translation*]

Mr. Speaker: The House has heard the suggestion made by the hon. minister. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

To the Standing Committee on Aboriginal Affairs

Indian Affairs and Northern Development, Votes 1, 5, 10, 15, L20 and L25

To the Standing Committee on Agriculture

Agriculture, Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Communications and Culture

Communications, Votes 1, 5, 10, 15, L20, L25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95 and 100

Secretary of State, Votes 1 and 5

To the Standing Committee on Multiculturalism and Citizenship

Multiculturalism and Citizenship, Votes 1 and 5

To the Standing Committee on Consumer and Corporate Affairs and Government Operations

Consumer and Corporate Affairs, Votes 1, 5, 10, 15, 20, 25, 30 and 35

Governor General, Vote 1

Industry, Science and Technology, Votes 80, 85 and 90

Parliament, Vote 1

Privy Council, Votes 1, 5, 10 and 40

Public Works, Votes 1, 5, 10, 15, 20, 25, 30 and 35

Secretary of State, Votes 10 and 15

Supply and Services, Votes 1 and 5

Treasury Board, Votes 1, 3, 5, 10, 15 and 20

To the Standing Committee on Energy, Mines and Resources

Energy, Mines and Resources, Votes 1, 5, 10, L15, L20, L25, 30, 35 and 40

To the Standing Committee on Environment

Environment, Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1, 5, 10, 15, 20, 25, 30, 35, L40, L45, 50, 55, 60 and 65

To the Standing Committee on Finance

Finance, Votes 1, 5, L10, L15, L 20, 25, 35 and 40

National Revenue, Votes 1, 5, 10, 15 and 20

Privy Council, Vote 30

To the Standing Committee on Forestry and Fisheries

Fisheries and Oceans, Votes 1, 5 and 10

Forestry, Votes 1, 5 and 10

To the Standing Committee on Human Rights and the Status of Disabled Persons

Justice, Vote 10

To the Standing Committee on Justice and Solicitor General

Justice, Votes 1, 5, 15, 20, 25, 30, 35, 40 and 45

Privy Council, Vote 45

Solicitor General, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40 and 45

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 1, 5, 10, 15, 20 and 30

Labour, Votes 1, 5, 10 and 15

To the Standing Committee on House Management

Parliament, Votes 5 and 10

Privy Council, Vote 20

To the Standing Committee on National Defence and Veterans Affairs

National Defence, Votes 1, 5, 10, 15 and 20

Veterans Affairs, Votes 1, 5, 10, 15 and 20

To the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women

Employment and Immigration, Votes 25 and 35

National Health and Welfare, Votes 1, 5, 10, 15, 20, 25, 40 and 45

To the Standing Committee on Public Accounts

Finance, Vote 30

To the Standing Committee on Industry, Science and Technology, Regional and Northern Development

Atlantic Canada Opportunities Agency, Votes 1, 5 and 10

Indian Affairs and Northern Development, Votes 30, 35, 40, 45, 50 and 55

Industry, Science and Technology, Votes 1, 5, L10, L15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70 and 75

National Health and Welfare, Votes 30 and 35

Secretary of State, Votes 20 and 25

Western Economic Diversification, Votes 1 and 5

To the Standing Committee on Transport

Privy Council, Votes 15 and 35

Transport, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, L55, 60, 65 and 70

To the Standing Committee on Official Languages

Privy Council, Vote 25.

Motion agreed to.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 25 petitions.

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

[*Translation*]

MAIN ESTIMATES, 1992–93

EXPLANATORY STATEMENT BY PRESIDENT OF THE TREASURY BOARD

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I am pleased today to table in the House the government's Main Estimates for the 1992–93 fiscal year. I believe that these estimates attest to the government's ongoing efforts to make its operations more efficient, to reduce costs and to maintain a fair balance between the demand for federal services and the taxpayers' ability to pay.

The Main Estimates explain in detail how the government plans to spend $159.6 billion, the planned budgetary expenditures for 1992–93, pursuant to the announcement made this week by my colleague, the Minister of Finance.

In presenting this budget the government wishes to obtain authorization to spend $48.8 billion from Parliament. The rest is covered in legislative authority already granted by Parliament.

Last year I made explicit commitments in the House. Today I wish to report on our achievements over the past year and on the measures that we have taken and are now taking to cut spending and obtain the most value from each taxpayer dollar.

I will also tell you, Mr. Speaker, about our commitment to provide Canadians with the best services possible, what we are doing, and the plans we are making to meet this commitment.

The spending control plan that we introduced with the 1990 budget and that we later broadened and expanded in the 1991 budget affected many programs. The growth of most programs, except for equity programs and those that meet Canadians' basic social needs, has been slowed, while other programs have been frozen, reduced or simply eliminated.

Spending control has forced departments and agencies to face increasing demands with fewer resources. The freeze or reduction of operating and maintenance budgets has been an important element of the cost cutting measures in all budgets since 1985. Since that year the real value of operating and maintenance budgets for programs in place has gone down by about 30 per cent as a result of these and other measures.

[*English*]

In keeping with the 1991 budget, the government limited salary increases to zero and three per cent over two years when Parliament passed the Public Sector Compensation Act in October 1991. We have also reduced to three the number of management layers below the deputy minister level. This makes the management structure in the federal Public Service comparable to that of many large organizations in the private sector which have had to restructure their operations to reduce costs.

We are ahead of schedule on the commitment made in last year's budget to reduce the number of senior managers by 10 per cent within two years. There are now 4,430 members of the executive group, down 320 from January 1991.

Our record is there for all to see. It is a record of performance, not words. We have reduced appreciably the rate of growth of program spending. In 1984 program spending represented nearly 20 per cent of the country's Gross Domestic Product. Today, mostly because of the restraint measures we have introduced, the figure is down to 16.7 per cent.

The savings we have made in recent years have not come only from reducing the payments we make to individual Canadians and the transfers we make to the provinces. The deepest cuts were made in government operations and capital. Canadians have indicated that they want governments to spend less, to spend smarter and to be more efficient. We continue to scrutinize expenditures to ensure that we spend only where Canadians need and want to receive services.

Programs including grants and contributions are being reduced in a number of areas. Defence spending is being scaled back further. Funding for new social housing will continue to grow but at a more limited pace. We remain

committed to the green plan spending of $3 billion over six years, but we will delay some of the spending for two years. We are improving the management of the Canada Student Loans Program. These actions will yield savings of $530 million in 1992–93 and $3.4 billion over five years.

We are continuing to restrain the cost of government operations. Departmental non–salary operating budgets are being reduced by a further 3 per cent. The 20 per cent restriction or reduction on travel outside Canada introduced in December 1989 will be continued.

• (1020)

The number of international meetings and the size of foreign delegations will be scaled back. Ministers, members of Parliament and deputy ministers will no longer be entitled to travel first class. Business class travel will be reduced as will be the amount spent on hotel accommodations.

The government Leader in the Senate, the Hon. Lowell Murray will be reviewing spending in the communications function to identify $75 million in expenditure reduction.

Forty–six separate organizations will be wound up, privatized or consolidated with other organizations. Thirteen ministerial advisory councils will be brought to an end. Three new agencies will be put on hold, and a number of activities will be privatized.

Cost recovery will be extended to a number of additional program areas, continuing to shift the cost of providing specific services to the beneficiaries and away from general taxpayers.

Assets no longer required will be sold. The government will increase its effort to collect unpaid debts.

These measures, taken together, will provide savings in excess of $1 billion in 1992–93 and $7.3 billion over the next five years.

The changes we are making in the way we do things address squarely the twin challenges of restraint and serving Canadians in the best way possible. We must balance clients' demands for services with taxpayers' ability to pay.

We are not simply cutting. We are restructuring to make our services more accessible to Canadians. We recognize that due to the expenditure cuts announced this week, reductions in the level of some services may occur. We want to minimize these effects by shifting resources from internal administration to the points of service delivery.

In 1992–93 the government plans to spend $159.6 billion and that is $119.4 billion in programs with the remaining $40.2 billion going to servicing the public debt.

Out of every dollar spent, over 27 cents is transferred directly to individuals through such things as pensions and unemployment insurance benefits.

Transfers to the provinces and the territories made up principally of equalization programs payments to the less well–off provinces and payments to help fund provincial and territorial programs such as health care, post–secondary education and social assistance take up another 16 cents.

About 8 cents go to defence, another 10 cents to industrial and regional support transfers to aboriginal people and international assistance.

Subsidies to Crown corporations take up 3 cents. The cost of servicing the debt accounts for another 25 cents. The remaining 11 cents represent the cost of providing services directly to Canadians. This is made up mainly of employees' wages and salaries, accommodation, equipment, travel and related expenses.

In 1984 Canadians were paying $1 in taxes and getting $1.33 in program benefits. The difference was financed by borrowed money, so payment was put off to the future. The future is now.

Today, Canadians are still paying their tax dollar, but a growing share is being used to pay interest on the debt accumulated through past spending.

This is why we must continue to hold the fiscal course that this government has charted since 1984.

[*Translation*]

Restraint measures have forced managers and agencies to meet an increased demand for services with fewer resources. Nevertheless, they did not falter. Aware that restrictions are here to stay, they are determined to meet the challege head–on.

They remain steadfast in their determination to serve. Like their counterparts in the private sector, they take pride in ensuring that taxpayers get their money's worth.

Dedicated federal public servants are responsible for providing Canadians with the kind of efficient service they expect from their government. Canadians are demanding, and they have every right to be. The government's employees are doing a good job.

We are decentralizing decision-making. We are giving public servants the authority to make decisions and making them accountable for those decisions. They are also responsible for getting results.

Many of our recent initiatives were inspired by the wide-ranging renewal announced by the Prime Minister in December 1989—Public Service 2000. Creating special service agencies will make public servants better able to run their agency like a business. Operating budgets will give them a chance to determine the most effective distribution of funding and resources.

We will privatize services and functions if this option turns out to be less costly and more effective and improves service to the public. We will continue to charge user fees for activities that mostly benefit specific clients or users.

Our government is committed to providing the best possible service with the resources available, and to do so courteously and efficiently. It is committed to creating a Public Service whose employees have an abiding concern for the public, are sensitive to the public's needs, and are capable of solving problems and responding quickly to the needs of Canadians. We continue to restructure the public administration in order to streamline its services and facilitate their access.

The departments will co-operate in order to better answer the needs of their clients, and they will take all reasonable measures to logically group together government services in a single service area. They will consult with their clients, so that the latter can help them resolve important issues. They will have more flexible hours, so as to better meet the needs of their clients. They will reduce the number of forms and revise them to make them easier to fill. They will have a single registration number for businesses. They will use electronic devices for their procurements, and they will invest in training as well as in new technologies.

In order to make other savings and increase efficiency, the government will continue to give up activities that can be performed elsewhere at a reduced cost. It will continue to privatize services or to enter into partnerships with the private sector, when such measures are financially profitable. The government will also continue to divest itself of excess goods, to recover its costs and to insist on results whenever possible. It will continue to examine regulations in order to determine if they are still useful and, when they are, to ensure that they do not go against efficiency and competitiveness. It will also simplify those regulations where possible. We will examine the needs of small organizations and determine if they can share their office space in order to improve service and reduce costs. The government will continue to ensure a greater efficiency in markets and procurements, and to deregulate operations within the Public Service as operating budgets will come into effect.

[*English*]

In conclusion, the measures announced this week build on the actions we have taken over the last seven years. They demonstrate our commitment to sound fiscal management, to reducing the demand on the taxpayers dollars and to placing more resources where employees serve the public directly. That is where Canadians want us to place the focus, and that is where it should be. In this way we can keep costs down while making sure that we provide the best possible services.

• (1030)

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, in listening to the budget on Tuesday and listening to the President of Treasury Board today, one might have thought that at this point in time we would have heard something about what the government was going to do for the unemployed.

We may have thought we would have heard something about what was happening with the primary resource sector as a result of the over-valued Canadian dollar. We might even have had a better insight into how the Government of Canada intended to spend $160 billion for the benefit of Canadians who are most in need.

Canadians might have been looking forward to some answers on whether or not the government was prepared to become involved in renewing municipal infrastructure in this country. I think that the bottom line after the last couple of days is that Canadians are asking themselves what happened to the government and members of government who, not very long ago, talked about jobs, jobs, jobs and talked about the fact that they were the people who could best manage the affairs of the country.

All that has gone for naught, and now we are faced with having to deal with documents and estimates. Just to set the discussion in perspective, this is one budget document. This is the document that represents the 1992-93 estimates for employment and immigration in Canada.

In this document one would take a look and find that employment and immigration is going to spend substantially less this year than last year. It will be quite a reduction. If you look at it closely, there will be an increase in the number of people who will be working for employment and immigration. There will be some 1,200 more people than were involved last year. There will be less money and more people.

One wonders what the people are for. Are they to check up on people who are collecting unemployment insurance? Are they to deal with matters that are going to help the Canadians who need help, or are they there simply to create more problems? It is very difficult to tell. One of the things that we will never be able to determine as Canadians, as taxpayers or as parliamentarians is really what is in the estimates of the government.

This represents one of over 90 books that were tabled this morning figuratively by the minister. He did not bring them all into the Chamber, but they are around for anyone who wants to look at them. There are 90 publications—some of them thicker than this one; some of them are thinner— covering all kinds of government activity, on how it is going to spend $160 billion. No one truly has any hope of finding out exactly how that money is going to be spent.

What I thought I would do this morning in the few minutes that are allowed to me is to put myself in the shoes of Canadians who, after Monday afternoon, might want to have some notion of what is happening to them. I wonder what the unemployed in this country are thinking.

Where do they believe $160 billion is going to go and how is it going to affect them? What about the farmers of this country, many of whom were here in the last couple of weeks telling us how concerned they are about their future? What about the woods workers where the forestry industry which is totally depressed across the country because of the over-valued Canadian dollar?

What about the thousands of men and women in the fisheries, most of whom are in the fishery directly on the seas and in the fish plants? I wonder what they thought was in the budget document and now in the estimates that is going to help them out. Where are the adjustment programs that we heard so much about? Reams of documents were produced on the free trade agreement and people were going across the country. There were blue ribbon commissions put in place to determine programs that would assist workers who were being displaced.

One and a half million people in this country have to be very concerned about the fact that for them, $160 billion will bring them nothing. It is nearly inconceivable because for most people in this country it is an amazing exercise that the government comes forward and politicians from all political parties talk about $1 billion casually.

There has been a great deal of talk recently about testing in our school system. I wonder if anyone at the high school, cégep, community college or university level would like to ask some of the people in the economics classes what a billion dollars is put another way. How many $10 bills is it? How many $100 bills would there be in a billion dollars? How many thousand dollar bills would there be in a billion dollars? If there were such a thing, how many million dollar bills would there be in a billion dollars?

We sit around and we talk about these huge amounts of money as if we really understood. We produce 80 documents and we have a situation where I as a member of public accounts—and I am sure it is an experience shared by many of my colleagues— have been told that senior bureaucrats say that parliamentarians do not use the very voluminous documents that the President of Treasury Board made available to us today. That is the truth. We do not use those documents because we really cannot get to the bottom of them. It is a morass, it is a maze.

We have even been told that people who come to work in departments with a financial vocation are told not to worry too much for a couple of years when they first get there. No matter how well trained they are, with masters in economics and masters in business administration, or even doctorates, do not get frustrated; it will take a couple of years to catch on. They are in a niche, where

they are dealing with some very restricted kinds of information.

We are asking small business entrepreneurs in this country to take a look at the estimates and take a look at the budget and try to figure out what is in it for them. We are asking the people, the men and women and the small business operators who have gone bankrupt by the thousands in the last few years, to look at $160 billion and see if there is anything in it for them.

I think all there is in it really is more frustration for the people who cannot get a clue as to what is in these kinds of numbers for ordinary Canadians. We do not know whether there is improper or unauthorized spending. We do not know where the waste is unless we stumble on it. The duplication is sometimes obvious but it is protected in turf wars. There is poor productivity. The Auditor General is very concerned about productivity. He keeps referring to it.

There is a lack of accountability. There may even be some corruption. There are certainly questionable accounting and reporting systems. There is bad management. There are so many things that we could question. When we are talking about an organization that spends $160 billion a year and has well over 200,000 employees, we recognize that it cannot be simple to account for the expenditures of government.

What I am asking and what I hope the President of Treasury Board understands is that as we move toward Public Service 2000, we understand that very few people can cope with the kind of information that is made available to us. We are told by the senior managers that Parliament and the Canadian public are provided with all the information they can use. But that is not true. We are provided with more information than we can use. Is that a purpose that is set out as an objective to make sure that we are overwhelmed, both as parliamentarians and as Canadians, to a point where we really cannot in any way, shape or form deal with the kinds of questions that should be fairly easy for people to get answers to? I want to make sure that we understand how complex the system is. I go back to this example. We have situations, if I can digress for just a moment. I could not help myself.

This morning I picked up *The Globe and Mail*. Liberals still read *The Globe and Mail*. You sometimes have to wonder why. The hon. Minister of Communications asks if we read. Yes, we do, unlike some of his colleagues who are not very fussy about Canadian literature.

This week, as a matter of fact in the March edition of *The Globe and Mail* report on business, there is a very glowing account of what appeared to be a success story. We are talking about a very sophisticated organization that is Canadian-wide in terms of its input and its ability to assess the economy, and so forth, but also one that has people who are first-rate—researchers, economists—who work for *The Globe and Mail* and who prepare their business reports, their inserts that we see month to month. Here is March 1992. This is a little bit of a futuristic look as far as *The Globe and Mail* is concerned. Here is the headline: "The Dean of Discount: With a push from master merchant Dean Muncaster, Bargain Harold's is cashing in as discount retailing goes mainstream."

This is what Canadians are reading this week that came out of *The Globe and Mail* on the weekend in its report on business.

• (1040)

This morning, in the very same week, this is the headline in the report on business in *The Globe and Mail*: "Bargain Harold's seeking protection from creditors".

The point I am trying to make here is certainly not that Mr. Muncaster did not have a great success and worked very hard for Canadian Tire. I know many Canadian Tire retailers in this country. I know what a great organization that is. The point I make is that economic analysts and people who are responsible for much of the business information that is disseminated in this country are unable to look at a company like Bargain Harold's and get a grasp of what this economy is doing to a company like that that is Canada-wide.

How can it be expected that ordinary Canadians understand what is happening with their government when we are spending $160 billion a year? It is so complicated that in the documents released by the Treasury Board president today, we cannot find out how many people work for the government. It is incredible. I have asked in public accounts to take a snapshot on any given day, a day ago or two years ago, and tell us how many human beings worked for the Government of Canada on that day. We know that most people who

work expect to get a cheque. The system works well enough in that respect. People who work for the government get a cheque. Because of jargon and all kinds of systems, we are unable to determine exactly how many people are on the payroll of the Government of Canada, in other words being paid by the taxpayers of Canada.

It is interesting. If you look at the new approach that will be used by the government, this year 28,000 were removed from Treasury Board control. They went into a special program, a pilot project system that is being used to implement PS 2000 in the next couple of years.

What happens is that the PS 2000 approach and this de-control means that you look at some departments and there is nobody there in terms of person-years. Person-years is an approach that has been used for many, many years.

The ordinary Canadian who would look at the estimates that came out today and who would focus, for example, on the Prime Minister's Office, would find that no one works in the Prime Minister's Office. Nobody works there at all. Zero. This is the kind of thing that goes on. The point I am trying to make is how do you expect Canadians to have confidence that their tax dollars are being well spent and, as important, that their tax dollars are being accounted for when we are going through these exercises where some people are controlled, some people are de-controlled and you do not know how many people are working for you on any given day. Now, in a place like the Prime Minister's Office, nobody works at all.

I want to make one last point on this because somebody might think that we are playing politics with this. The Auditor General of Canada and the Comptroller General of Canada are the two most senior accounting segments in our system of government and this is the situation we are faced with. I quote the Auditor General: "I have unfortunately concluded that the 1991 financial statements do not report certain important elements of information reliably". He could not accept the accounting procedures of the Government of Canada.

We sat in public accounts and tried to get to the bottom of this. Last year, the government fudged the books to a point that it was able to deal with a $2 billion deficit on the basis of the zero and three freeze. It was able to get $1.3 billion out of that. It should have charged it out over a 13-year period forward because there will be savings in the pay-out of pension plans over the next 13 years.

Petro-Canada, because of an evaluation mistake made in the early 1980s, there is a loss there. Instead of writing it off in the year in which the loss was discovered, it took that back to 1984. It is very creative accounting.

The Auditor General does not agree with that. What do we have? We have the Comptroller General saying that it is perfectly all right. The very sad part of all of this is that both of these individuals rely on accepted accounting practices that have been set out by people who have an interest in public sector accounting.

We had J. J. Kelly come in, a recognized expert on pension plans. We had Joseph Weinstock come in and talk to us. Imagine what chance Canadians have of getting any kind of information from the estimates when the two senior accountants in government, the Auditor General and the Comptroller General, cannot agree on $2 billion as to whether or not it should have been used last year to reduce the deficit. That is the kind of problem faced by Canadians.

We need clarity in our accounting system. We need sense being applied to how we are going to deal with these issues because Canadians want to know what is happening to their $160 billion.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, what we have received today, as the previous speaker suggested, is a great deal of detail which fills out the budget package which was presented on Tuesday by the Minister of Finance.

I think some of the comments which the previous speaker has made are important comments, but I think it is crucial in this brief preview of a debate which will take place on estimates throughout the year, to put very clearly the differences in substance which we have with the approach which the government has taken in the way it has decided to spend its money.

In the days when life was easy for the Liberals in government and they could simply feel they could borrow money and spend it as they wished, perhaps one did not have to look so carefully at where money was spent, but in these days, in these days where, I think, across the country all responsible governments are

recognizing that you have to look very carefully at how you spend your money, where you make your allocations to see to it that you get fairness for people to see to it that you get results for the economy, it is crucial there be a careful examination of where money is being spent, how it is being reallocated.

We received this great mass of material one hour and a half before the minister stood up to speak this morning. This is not going to be a definitive detailed judgment on these points, but there are certainly some major problems with the reallocations and the expenditures which this government has put before the House this morning.

As we look at this set of estimates, they seem to us to show a government which is still, in the way it allocates its money, very heartless to many people in the country, a government which is still not being as honest as it should in telling Canadians what is happening to their money and a government which is being unfair in the way in which money is being reallocated within the structure of expenditures.

Let me just go through a number of points which I think illustrate why we come to this conclusion that the estimates tabled today demonstrate heartlessness, lack of honesty and unfairness. We take, first, I think the most important reallocation which is in these estimates, the area of expenditure to get people back to work. I do not think there is anyone in this House who does not believe that the fundamental function of us as the Parliament of Canada should be to see to it that we get as close as we possibly can to getting everybody who wants a job back to work. It requires training expenditure. It requires help to companies to train people. It requires help to provinces to be able to develop their training programs.

• (1050)

Yet what has been cut most dramatically in this particular set of estimates? There is no question that it is the estimates of the employment department of this country.

Take, for instance, grants for employment purposes. These are not grants for make-work jobs. I quote from the estimates: "to assist individuals to improve their employability and to promote employment opportunities by assisting local entrepreneurial development". Everybody believes in that. Yet what has this government done? It has reduced those grants from $127 million last year to under $90 million this year.

If we take contributions they are not meant for make-work jobs either. These are contributions for the provision of training. I am quoting again from the estimates: "for the provision of training, work experience, for mobilizing community resources, for establishing adjustment measures necessary for the efficient functioning of the Canadian labour market". These are all crucial to a good economy in this country. Yet what has happened? These contributions were $1,319,000,000 last year. These have been reduced this year by almost one-quarter of a billion dollars to $1,064,000,000. In total, if we take both grants and contributions, we see a decrease from $1.33 billion to $1.07 billion.

This is unforgivable when there are so many people out of work across this country. We find the money to give tax breaks that benefit manufacturing companies and to give new tax loopholes which the large corporations in this country will be able to take advantage of. Yet we do not find it possible to keep even the same level of funding for employment and training programs as there was in last year's budget. It is unforgivable.

Then there is the question of defence. The Minister of Finance suggested, when he made his speech the other day, that Canada was going to enjoy a peace dividend. When one gets into the estimates one finds there is no reduction in defence expenditure. Looking at the estimates for last year and comparing them with the estimates for this year, one finds that there has been an increase of $230 million in expenditure on defence. So much for the honesty of this government. We have not seen defence cuts. We have seen defence increases.

The government will come back and say: "Yes, but we have spent more money than that in last year's estimates because of the gulf war". But how much more was spent? We were told by officials this morning that the extra expenditure for the gulf war was $147 million. That means that the increase in defence expenditure, even taking the gulf war into account, is almost $100 million from last year to this year. We could not possibly have a clearer case of smoke and mirrors from a government trying to persuade Canadians that they were cutting defence when they were increasing expenditures on defence in this country. This is despite the fact that the cold war is over and we do not need to be putting the tremendous sums of money into defence which were

required when it looked like a potential for world war might still exist.

In addition to those two key areas I want to talk a little bit about regional development because it is another area that is important to economic growth in this country. Yet what has happened to the regional development budget in Atlantic Canada for instance? It has been cut. If we look at the budget for the Atlantic Canada Opportunities Agency grants and contributions, they have decreased from $288 million last year to $274 million this year.

If we look for loans to Cape Breton which is one of the hardest hit parts of this country we see a reduction in loans as well. The over-all contribution to regional development in Atlantic Canada has been cut from $357 million to $334 million. This is despite the fact that an economic catastrophe has just hit Atlantic Canada in the fisheries. Again, it is unforgivable, heartless and unfair.

There are some other small points that I want to note that seem to indicate to me that the government has been unfair and heartless in making its cuts in this budget. It has taken one of the very best agencies that we have to help poor people in the less-developed countries, the International Development Research Centre, and it has cut its budget by $8 million. What possible sense can there be in that? It has taken the Office of the Superintendent of Financial Institutions, which under the new Bank Act has been given more responsibilities, and has reduced its operating budget.

Everybody in this House had heard horror stories about the Immigration and Refugee Board because it cannot do its job fast enough. Has the government given any extra resources to that board? Not a bit.

At the same time this government continues to waste money. It has increased the budget of the Canada 125 exercise by 50 per cent. This is an exercise which is caught up in extreme difficulties and which has no accountability to this House. It is a wasteful way to spend money.

At the same time it is spending extra money, $18 million, to establish a GST centre in the country. This is another expenditure for this bad tax which should be done away with.

I will finish with this point. Perhaps the biggest problem with these estimates is that there is nothing to explain to Canadians the money which is being given to corporations and to wealthy Canadians in tax expenditures and tax reductions which go to help those large corporations. We have mentioned some of them in the House: the fact that a large company can deduct escort services for its business executives, the fact that the capital gains tax of $100,000 which goes strongly to rich individuals is not even costed out in these estimates.

• (1100)

If we want a true picture of where the government is giving its benefits, we need these tax expenditures put clearly before this House.

I want to say however that there is one good thing in this set of estimates that has come before us, one excellent allocation of funding. This excellent allocation of funding is a very significant increase in the budget for the office of the Chief Electoral Officer. The Chief Electoral Officer has been given an increase of $15 million for this year to run an election. I hope that it turns out that election is held and we get rid of this heartless, dishonest and unfair government.

* * *

INTERPARLIAMENTARY DELEGATION

REPORT OF CONFERENCE OF SPEAKERS AND PRESIDING OFFICERS OF COMMONWEALTH PARLIAMENTS

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 34, I have the honour to present to the House a report on the meeting of the Conference of Speakers and Presiding Officers of Commonwealth Parliaments held in Jamaica on January 6-10, 1992 in both official languages.

REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the ninth report of the great Canadian NATO Parliamentary Association.

[*Translation*]

CUSTOMS

PRESENTATION OF REPORT OF SPECIAL COMMITTEE

Mr. Clément Couture (Saint-Jean): Mr. Speaker, I have the honour to present, in both official languages, the report of the Special Committee on the Act respecting Customs. I would like to express my appreciation of the excellent work done by the members of this committee, thanks to whom it was possible to table this report which contains a series of recommendations on application of the legislation.

Furthermore, pursuant to the provisions of Standing Order 109, your committee asks the government to table a comprehensive response to this report.

* * *

[*English*]

SCRUTINY OF REGULATIONS

FOURTH REPORT OF STANDING JOINT COMMITTEE

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Joint Committee for Scrutiny of Regulations.

Your committee wishes to draw to the attention of the House the inappropriateness of the fee structure contained in the central registry of divorce proceedings regulation. The revenues from these fees are materially in excess of the costs incurred amounting to some $1.5 million over the last five years.

It is the position of the committee that circumstances here raise an issue relative to the distinction between a fee and a tax. In the unanimous view of the committee, this statutory order number 86-547 represents in terms of scrutiny criteria an unusual and unexpected use of the authority conferred on the minister by this Parliament.

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

Routine Proceedings

TELECOMMUNICATIONS ACT

MEASURE TO ENACT

Hon. Perrin Beatty (Minister of Communications) moved for leave to introduce Bill C-62, an act respecting telecommunications.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Beatty: Mr. Speaker, after about 15 years and one hour of waiting, I am delighted today to be able to introduce comprehensive new telecommunications legislation for this country. The bill has been designed to enhance the capacity of the Canadian telecommunications industry to meet the demands of all Canadians.

[*Translation*]

I am firmly convinced this legislation will be highly beneficial for the industry and for consumers across the country.

[*English*]

I wish to thank the members of this House for their co-operation in passing this crucial piece of legislation.

The Acting Speaker (Mr. Paproski): Mr. Beatty moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

PETITIONS

CHRISTINE LAMONT AND DAVID SPENCER

Mr. George S. Rideout (Moncton): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure of presenting petitions from people in British Columbia concerning two Canadians, Christine Lamont and David Spencer, who are languishing in a Brazilian jail and sentenced to 28 years in prison.

The petitioners are calling upon Parliament to urge the Secretary of State for External Affairs to request the Government of Brazil to expel Christine Lamont and David Spencer and return them to Canada.

There are numerous other petitions on their way.

CRIMES OF VIOLENCE

Hon. Pauline Browes (Scarborough Centre): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition on behalf of residents of Scarborough and the surrounding area who are concerned about the criminal justice system.

The petitioners request that Parliament recognize that crimes of violence against a person are serious and abhorrent to society and want to amend the Criminal Code of Canada, the Bail Reform Act, 1972, and the Parole Act accordingly.

POST OFFICE

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure to rise today pursuant to Standing Order 36 and present petitions with names of 225 signatories.

These people are all from the Penticton and surrounding areas. I add these to the petitions of over 7,000 names that I have already presented to this House.

The people are upset about the closure of the Penticton post office and they petition Parliament. Canada Post is closing and privatizing post offices and will be closing the Penticton post office February 10, 1992 and converting it to a commercial service centre only for commercial use.

The petitioners humbly pray and call upon Parliament to stop this closure and privatization of postal services to ensure that citizens and taxpayers of Penticton, British Columbia, have a full service post office which is directly run by Canada Post Corporation.

[*Translation*]

VICTIMS OF SEXUAL ASSAULT

Mrs. Diane Marleau (Sudbury): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present in the House today a petition signed by residents of Sudbury, concerning the rights and dignity of victims of sexual assault. Your petitioners call upon Parliament to table legislation to protect those victims.

[*English*]

CRIMES OF VIOLENCE

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I have a second petition pursuant to Standing Order 36 and concerns the problem of the murder of Nina de Villiers on August 9.

This petition has been signed by a number of residents of Sudbury. They ask that Parliament recognize that crimes of violence against the person are serious and abhorrent to society and amend the Criminal Code of Canada, the Bail Reform Act, 1972, and the Parole Act accordingly.

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present to the House a petition which has been signed by 200 residents of Stormont—Dundas.

As Canada is currently involved in negotiating at the GATT, these petitioners are calling upon the government to preserve and strengthen article XI of GATT and defend the continuance of the supply management system for Canadian agriculture.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

• (1110)

The Acting Speaker (Mr. Paproski): I wish to inform the House that pursuant to Standing Order 33(2)(a) because of the ministerial statement, Government Orders will be extended 48 minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, February 26, consideration of the motion of Mr. Mazankowski that this House approves in general the budgetary policy of the government; and the amendment of Mr. Gray (Windsor West) (p.7631); and the amendment to the amendment of Mr. Langdon (p.7633).

The Acting Speaker (Mr. Paproski): The hon. member for Broadview—Greenwood has 13 minutes remaining for debate.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I appreciate the opportunity speak in this budget debate.

I want to start my remarks by going back to last night. It was funny because I became a little bit uptight with the direction of this debate and I momentarily lost control with respect to my colleague from Carleton—Charlotte. I want to take that back. I hope he will accept my apology.

I have watched this Minister of Finance, not just in the last three years, I watched him when I worked on the Hill from 1980 to 1984. Quite frankly I think he is one of the hardest working members of Parliament we have in this House.

Sometimes when I am in my riding people will ask: "What is the Minister of Finance like?" I tell them that I think this is a man who is quasi-monastic in his commitment to public life. I have watched this man day in and day out work long hours. I know he is totally committed to his job and is doing the best he can with the resources he has.

I asked myself last night why I felt so uncomfortable with this budget. Why do I feel that it really is not addressing some of the fundamental issues, not for the advantaged people in our community but for the disadvantaged. The government will say that the fundamentals are in place and it continues to go back to the inflation number which is the lowest in 20 years. I acknowledge that.

As I said last night and I want to repeat today, there is a tremendous cost to the ratchet it has put on inflation in this country. The cost to the nation is the large number of people who are unemployed and the large number of people who are on welfare. They face a budget which really does not have a lot of hope in it.

When the member for Essex—Windsor talked earlier today about estimates relating to training and retraining, he mentioned the fact that when we discuss productivity, competitiveness and education, we have cut the retraining and grants to re-employment by almost $300 million. Those are not hopeful signals we are sending out to this country when we are going through such difficult times.

I ask myself again why I have such a different feeling toward this budget and this Minister of Finance. The bottom line is that I have a different vision of what the national government is all about. I have watched this government for the last few years. It has used the words "streamline" and "restructure". I prefer to use the words "the retreat from national government" or "the diminished federal presence". This government continues to pursue a diminished federal presence in nearly everything it touches.

I want to suggest to the government that it is really putting itself into a position where there is going to be very little to govern here in the direction it is heading.

I want to be very specific and relate this diminished federal presence, not just to the province of Quebec, because we all talk about the diminished federal presence in the province of Quebec and how harmful that will be in galvanizing us as a nation, but I would like to make the point in relation to my own province, the province of Ontario.

As this government reduces its federal presence in those programs which it has had traditional responsibility for, not only is this national government's ability to cope weakened by the serious problems we are facing today, but a situation is created where a premier, such as we have in the province of Ontario, an NDP premier who, by his actions, is filling that void and is developing policies which are exacerbating the unemployment in this country. He is exacerbating our ability to be competitive.

Here we have the premier of Ontario who, within two or three years, will actually have more economic power than the national government. The province of Ontario will have more spending power than the national government. Is that really what we want?

By diminishing that federal presence then the person who is operating that program, such as the premier of Ontario, will fill the void that the national government runs away from and, in the process of doing that, we will lose our ability to give direction or have say because he who pays the piper calls the tune.

Right now, when this government talks about reducing the deficit, trying to tell Canadians it is trying to control the debt, most of that reduction is coming to them because of the reduced federal presence.

Do you know what is going to happen, Mr. Speaker? We are going to have a situation, as we diminish this federal presence, where those regions of our country who do not have the ability to provide the economic thrust to maintain national standards, whether it be in education or in any other phase of our economy, are going to be at a disadvantage.

When I was elected in my community I was asked to come here to speak for a strong national government, a national government that would look out for the disadvantaged regions of this country, a government that would make sure that those standards were national. This budget is really working against that principle. It is a retreat from the national government and it is pushing more and more responsibilities to the provinces.

Mr. Speaker, you signalled me that my time has lapsed. I hope that more members of Parliament, who are from the disadvantaged regions of this country, see through this budget and understand that is where it is taking us.

• (1120)

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, as the member alluded, last evening we were engaged in debate in the House. We were the last two speakers to be on last night, and I am glad that I have the opportunity to respond to the member this morning.

I go back to a comment that the member made this morning. I think there is some commonality of thought here, although I am sure it is not complete. He talks about the tremendous cost of getting the fundamentals correct in this country. By that of course we are taking a look at interest rates at the lowest they have been in 20 years, inflation the lowest it has been in 20 years and so on. We do not have the time to go through all of those obviously. We know that we have paid a cost for that. I think we all acknowledge that. At the same time we acknowledge that it is important to get those fundamentals correct for investment to take place in this country to get us on the course of recovery which I believe that we are on this point.

What is the cost in the long term of not getting the fundamentals correct? We acknowledge the fact that we paid a price for that on one side, but in the long term, what is the real cost of not getting those correct? When we have runaway inflation, interest rates that are over 20 per cent as they were 10 years ago, could the member please comment on that aspect of it?

Mr. Mills: Mr. Speaker, I appreciate the question. It is a good question. I think it is a question of balance. If you are almost six months ahead of your inflation targets, your interest rates are the lowest that they have been in almost 20 years, and you are still getting signals that this is not sparking confidence in the economy, that this is not getting a reaction from the 1.7 million entrepreneurs in this country who are our greatest hope for job creation, and I am not talking about make work projects here, when you are getting the feeling from these people that their confidence is so fragile that they are not striking out, that they are not investing, that they are not hiring, I suggest that the government has to loosen that ratchet a little bit. It has room. It has room in the interest rates. It has room with respect to inflation.

I am not saying we should have a spending binge here, but to have a $300 million cutback on retraining when we are all talking about retraining and global competitiveness, there is enough slack in the inflation numbers here that we could have handled that.

I want to suggest one other thing regarding the Small Business Loans Act which in the minister's budget doubled from $100,000 to $200,000. I think that is good. My problem with it is that if you want to get confidence and you want to get that 1.7 million entrepreneurs sparked and going, if each one of them will hire one person, unemployment is gone and we are back in business and then we can really attack that deficit. That, to me, is one area of the minister's budget that he should be buying full-page ads with. He should be taking taxpayers' money and he should be communicating to the 1.7 million entrepreneurs that this facet of the budget exists.

I say to all hon. members here that 99 out of 100 small businessmen do not know what that Small Businesses Loans Act is all about. I challenge the government to communicate it to all Canadian businessmen.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, in his remarks the member covered an awful lot of ground. He also alluded in his closing remarks to the fact that the government was transferring to the provinces and to the individuals an awful lot of hot potatoes in terms of training and development, for example.

I want to refer to the estimates that were tabled this morning and ask the member this: In the Main Estimates for Employment and Immigration we find that there is a net decrease of $177 million in employment. I was wondering if job training, job creation, is not something that we should address more thoroughly.

I notice also that in the transfer payments to the provinces and to the agencies, the Atlantic Canada Opportunities Agency, for example, is cut by $13.4 million. There is a whole series of cuts to programs which, indeed, could be used or could have been used to create employment. I want to ask the member if he could elaborate on his views as to how we could use these moneys to put people to work.

Mr. Mills: Mr. Speaker, I thank the member for his question. The training cuts are a mystery to me and, quite frankly, I wonder if the reason why the government seems to be retreating from this training section is linked to the constitutional talks where we are talking about putting more training into the hands of the provinces. If that is the case, I am very nervous because I think that is something the national government should maintain a direct linkage with and the ability to give direction to.

The businessmen of downtown Toronto came out with the statement yesterday that a lot of them supported this minister's budget. Quite frankly, I am mystified, I am at a loss as to why they are supporting it. If they are just supporting it on the fact that the number crunching side of it is good, fine, I have acknowledged that. But combined in a budget there should be some innovation, there should be some creative ideas, especially in the area of training and retraining, a topic which all the businessmen are talking about. In that particular area I am absolutely convinced that if you asked those businessmen if they want support for training and retraining—which is in a sense a capital investment—I am sure once they are aware that this government has cut back on training, they are going to reverse their position.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I know the time for questions is just about over. I certainly listened with interest to the thoughtful remarks, as they usually are, by the hon. member for Broadview—Greenwood.

There are many things to say. I certainly share how he started his remarks this morning in terms of trying to distinguish and separate the feeling and respect that one has for a fellow colleague, especially the Minister of Finance, in his monastic drive to be a real public servant, helping the public good and the land, and being a little critical or adding questions, or introducing questions, on the budget that that minister presented. I certainly share those views because of a long relationship with the Minister of Finance.

I, too, have serious questions about aspects of the budget and I would like to ask the member specifically this: I think really the thought of a businessman downtown may be partly what I call sort of a Stockholm syndrome to the budget. First you have the personality of the minister, who is very warm, engaging and human. Then you have a lot of bad news that has permeated the economic scene and/or the land for so long that a budget that has some glimmer of creativity makes us all feel a little good. I think we are all in that sort of mood.

In terms of something that I really find difficult that happened—and there is an argument about how much show it was and how much reality it was—is the elimination of some of these agencies that do have a national focus, that have helped the land, especially in these difficult times. I am thinking specifically of the Science Council of Canada and the Economic Council of Canada.

I would like to ask this member a question. The time for questions is short. I have many questions I could put to him but I am going to try to get questions to some of the government ministers if they stand some time during this debate in view of some of the history around here at the creation of the Economic Council of Canada.

• (1130)

In terms of the $22 million that I guess has been saved with the elimination of these 14 agencies and the merger of these other agencies and commissions, how does the member, with his experience in politics and in the outside world, balance that specific reduction of $22 million with all those agencies and all the difficulties that is going to create in eliminating the Science Council of Canada and the Economic Council of Canada when in effect the government, up until now, on just five different areas, has spent over $125 million. Be it the Spicer commission, the commission on reproductive technology, the royal commission on transportation, the Minister of Industry, Trade and Commerce competitive strategy, all of these are $20 million plus. I just wonder if he feels—and it may be a leading question—this is going to instil confidence in Canada and Canadians in the way we are going.

Mr. Mills: Mr. Speaker, I thank the member for Annapolis Valley—Hants for the question.

First of all, a lot of those agencies were set up by Liberal governments. The purpose of those agencies was to provide policy ideas, policy suggestions. It is impossible when you are a politician to come up with the ideas yourself. You go to an independent organization. Quite often those organizations, even when we were in power, did not always agree with us. They criticized us. They were there to probe and spark debate and to inspire. From that point of view, I think the government is being shortsighted, but I do want to give the government a little bit of credit for something here.

The Economic Council of Canada, and I was reading one of their documents last night, "A Joint Venture: The Economics of Constitutional Options", produced a lot of good stuff. I think that when the Economic Council of Canada produced that paper saying that it was not such a bad thing for Quebec to be a sovereign nation, quite frankly, had I been the Prime Minister, that day I would have called the directorship of that operation in and I would have said: "Listen, we have got enough problems with unity in this country as it is. You are not politicians and it is not your job to promote the fact that it is an easier way to live in this country as a divided nation than a united nation". On that specific point, I think the Economic Council of Canada was way off base.

I think we are absolutely crazy to abolish the Science Council of Canada and a lot of those other agencies. I do not know all of them, but I know a lot of them have good, honest, hard-working people and I think that the government was penny wise and pound foolish.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I spent all day yesterday in the House, listening to the comments of my colleagues on this side, but mostly to the comments of the opposition.

This is my eighth budget and my seventh budget as Parliamentary secretary to the Minister of Finance. In all those eight years I never heard a single constructive comment or suggestion from the opposition when it was discussing the budget. I think this shows something very important is lacking in this House. Criticism should be constructive and we should also consider the budget for what it is.

I am getting rather tired of hearing the opposition complain there is no education policy in the budget, no social policy or cultural policy or health policy. A budget is a budget. In the private sector, a budget shows columns of figures, with the bottom line indicating whether the year's results were positive or negative. That is a budget. As far as policies are concerned, we have ministers who announce policies as appropriate to their individual budgets. The same applies to the private sector. When I look at a private company's budget, there is an operations sector. There is someone in charge of operations and someone in charge of sales. The person in charge of sales has a budget to spend and defines policy in terms of what is best for the company. We have to stop expecting the budget to contain all the government's policies in every sector. That is not what a budget is for.

I think it is time this was understood. The Minister of Finance gives us his budget forecast, explains what the monetary situation is and where we are headed. He defines a few broad principles. The purpose of the budget is to give Canadians a financial statement they can trust, not 48 policies.

An hon. member: What about hope?

Mr. Vincent: The hon. member mentioned hope. In fact this budget is a budget of hope. I would like to get back to the tax changes announced in the budget, because when we talk about revenue and expenditures, we have to talk about the Income Tax Act. That is where the money comes from, and that is where less money will be coming from when we amend this act.

What the budget tells us, is how the money comes in and how much it will cost to run the country. That is what the budget is about.

The budget deals strictly with the fiscal aspect and how it will affect taxpayers. People should stop saying that there is nothing in the budget for this or that program. We had a good example only 10 minutes ago, when the Minister of Communications tabled a new bill. This bill was not part of the budget because it is the responsibility of the Department of Communications. It is about communications policy, and it was tabled by the Minister of Communications.

I hope the opposition will take these comments to heart and will start offering some constructive criticism, without trying to make the budget into something it is not.

I would like to give a short history of Canada's financial situation since 1984 when we were elected. You will recall that in 1984, the government spent $39 billion more than it was getting in revenue. This year the deficit will be $31 billion and next year it will be $27 billion. We have managed to reduce the current deficit every year, but this does not deal with the problem of the national debt. In 1984 the national debt was $206 billion. The opposition will say that today it is nearly $400 billion and that it is all our fault.

When we talk about the national debt, we must remember to include the interest charges this government has to pay on the debt it inherited from the Liberal government. The interest charges since 1984 total $239 billion—

An hon. member: Highway robbery.

Mr. Vincent: —which corresponds exactly to the debt we inherited in 1984.

An hon. member: Outrageous.

Mr. Vincent: However we managed to have an operating surplus which means that this year, if we exclude the interest charges payable, the government is spending less money than it raises. We are now operating like the average family. We are not borrowing with MasterCard to pay chargex, as was the case under the former Liberal government.

• (1140)

That is where we were in 1984 and we must continue in that direction. To do so, again, we must take difficult measures and make cuts. I heard my opposition colleagues talk about the 46 agencies that were cut. When a family, a business or an individual cannot afford to do something, what do they do? They do not do it. Here we had the habit of borrowing when we could not afford something. That is over. If we cannot afford something we do not borrow, we cut.

That is exactly what Canadians want. They understand, because they pay enough tax to understand that the government cannot borrow any more. Every day, we hear members opposite get up—and we should count how many times they do, it would be hilarious—and ask questions in order to obtain more money. They do not understand what Canadians want. For example, take an open-line show in my riding of Trois-Rivières yesterday at noon, from 11.30 to 1.30, when the question was: Are you for or against the Hon. Don Mazankowski's budget? Seventy per cent of the callers said they were in favour of this budget. Seventy per cent supported it on an open-line show in Trois-Rivières.

People want us to run the country as they handle their family budget. The fiscal measures announced in the budget also reflect what Canadians want. This budget was prepared by the Minister of Finance after consulting the national caucus, the Quebec caucus and MPs. Members come back from their ridings on Monday morning and know, after spending the weekend with their constituents, just what Canadians want. People in Ottawa don't understand the problems of Abitibi—the member for Abitibi does. The same goes for Trois-Rivières and every riding.

You will hear people say that the announcement about RRSPs is a smoke screen, I was not greatly in favour of the original request to let people use their RRSPs to buy their first home, because I thought that it would not have the intended effect. People who do not have a house surely do not have much money in their RRSPs and are just starting out in their life and career. This is for the purchase of a principal residence, so someone can take

$20,000 out of his or her RRSP and use the money to pay for an existing home or one that they want to build and so on. For a married couple, each partner can take $20,000, which makes a $40,000 down payment. That is excellent, and it will make a valuable contribution to real estate and the buying and selling of homes. It must be seen in that light and the program must be used in that way.

Some will tell you that it does not pay, because the $20,000 in your RRSP was not subject to income tax and you will lose that advantage. That is a good point. On the other hand, if I borrow $20,000 from a financial institution, I will have to pay interest every year on this loan, say $2,000 at 10 per cent, but I will have to earn $2,500 or $3,000 before tax to pay my income tax and also the interest on the loan and even more to gradually pay off the principal.

I submit that this plan can be very profitable for those who use it wisely. It will enable them to buy either a first home or one that better suits their needs in 1992, and that, again, at a very interesting price.

This echoes the wishes expressed by Canadians. In my riding, many real estate agents and others have written to me. They said: "Let us use them." Provincial premiers had also mentioned something along that line.

Another issue I have received a lot of correspondence about is that of the treatment of common law couples. That too can be found as a new tax measure in the budget. From now on, common law couples will be treated the same as married couples under the Income Tax Act and for the purposes of the GST and other credits, transfers and so on. That is what happens when a caucus sets its shoulder to the wheel and incorporates suggestions in preparing a budget.

This particular measure had been long-awaited in my riding of Trois-Rivières, as in the rest of the province of Quebec and Canada. Not only is this part of an improved tax legislation but it also reflects the social and economic reality of 1992. It should be pointed out that this is not a family oriented policy or anything like that, but an amendment to tax laws and, as such, it was included in the budget.

Another new feature in this budget is the $100,000 capital gains exemption. We know that every Canadian man and woman was already entitled to a $100,000 capital gains exemption. The budget does not take it away. We figured that, in order to assist and stimulate the Canadian economy, that exemption should apply specifically to gains on active revenue-producing assets. This does not mean—just this morning, I was reading a piece about investment property in *La Presse*—that the real estate market will shrink. It means that you can, as individuals, decide to invest say in a rental property, realize gains on it every year and, when you sell it, you will be taxed less because it will be considered as a capital gain.

Now if you decide not to invest in real estate but rather in an company operating in the Trois-Rivières riding, which I hope is what you would chose, when you sell your shares your active participation in that business creates jobs and generates employment. The $100,000 exemption on capital gains will still be valid. Compare this to real estate which does not create jobs. If you buy a four-unit apartment building you will not employ somebody full time for its maintenance.

Therefore nobody is penalized. Each Canadian can chose where he or she will invest. Evidently we all know that there is a higher risk involved in a small business than in a four or eight-unit apartment building.

I feel that this is one way our government is looking at the economic reality of Canada. It is an incentive for all small business owners who often must seek are out investors, who often need small sums like $50,000 or $100,000 to carry on more securely, to buy new equipment, to get the technology they want and so reach the national level.

• (1150)

Incidentally, talking about small businesses, another measure which will be helpful for our businesses is the raising of the maximum from $100,000 to $200,000 for small business loans. I think that doubling the amount a small business is entitled to borrow. Mr. Speaker, you are signalling me that I have only two minutes left, but I feel I have just begun. I will speed up a bit. I was saying that allowing small businesses to borrow $200,000, guaranteed by the government, is another positive step taken by this government to assist our businesses and help the

economy. Another measure designed to help our businesses is the program allowing a small or medium-sized company to borrow money, while the loan and revenues made on that loan by the lender will be considered a dividend rather than an interest. As we all know, if these companies expand, they will create employment. If they create employment, it will benefit the Canadian economy.

In conclusion, I would like to congratulate the Minister of Finance who suggested the merging of three programs for children into just the one. People will receive only one cheque per month, not taxable and bigger than what they used to get. There will less paper burden and everybody will therefore be happier. Instead of having three programs, there will only be one: one cheque per month, and bigger than what people now get. This must not go unnoticed because unfortunately I do not often hear the opposition mention the positive measures that are in the budget. The deficit is reduced and people have tax policies that meet their needs. These things must be said. We must be positive. That is how the regional economy of Trois-Rivières, of Quebec and of Canada will improve.

In concluding, I would also like to emphasize the fact that, for the first time in a very long time, the Minister of Finance has reduced taxes for all Canadians. Yet the opposition will automatically say: "Not by much, not by much". That is not the point. The point is that thanks to the cuts made in the last eight years, thanks to the work of the member for Etobicoke Centre and now the member for Vegreville and thanks to the fact that for the last eight years Canadians throughout the country have tightened their belt in terms of federal expenses, this government has been able to reduce taxes.

Everyone in this House would love it if there were no taxes, if there was no GST. We all agree on that. It is perhaps the only thing on which we all agree, but we agree on that. However, because of our structures and programs, we must have and we must pay taxes. From that point on, this government has demonstrated that you can increase taxes, but it has also shown that you can reduce them. Again I want to congratulate the Minister of Finance in that regard.

My time is up but I would just like to ask all members to be positive and to make sure that this budget is passed as quickly as possible.

[*English*]

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I have listened with interest to the hon. member.

One of the comments he made was that the budget was to put trust and confidence in the people. I agree that that is what a budget should do but certainly we have not seen any initiatives in this budget that would put any trust or confidence back in the people.

He went on to say that it is a budget of hope. The same thing applies. I cannot see anything in this budget that offers any hope whatsoever for the 1.5 million people who are unemployed. I know in my province the unemployment rate is approximately 17 per cent.

This budget, as I said, does not offer any hope. There is no capital works program. There is very little investment in research and development. There is nothing new in training initiatives.

He went on and talked about small business and what a great thing that the ceiling of borrowing has been doubled. Does he not realize that small business today is trying to survive? It does not matter if the borrowing level is quadrupled. If they cannot take advantage of it, what good is it?

Look at the bankruptcy rates of small businesses across this country. This government should be doing something for small business. It was small business that helped lead us out of the last recession but the government fails to realize that.

This is the question that I want to ask. I want to come back to the statement the member made about it being a budget of hope. I would like to know what hope this budget offers to the 1.5 million people who are unemployed across this country.

[*Translation*]

Mr. Vincent: Mr. Speaker, I must admit I am disappointed with the question because either the member did not listen to my presentation or they did not understand the message.

At the beginning of my speech, I explained the nature of a budget. A budget is made up of figures, it is not a series of announcements by 40 departments of what is to come during the following year. It presents revenues expenditures and credits for each department. That is what a budget is all about. It is not supposed to describe

all government policies for the year to come. Again, the member said the budget did not contain an education policy, a business policy, this or that. That is right, the budget does not present any of those things. The sole purpose of a budget is to allocate funds so that departments may announce their policies and the Canadian economy may adjust to it. The taxation measures are in there.

Maybe my colleague did not read the budget because she says it contains nothing for small businesses while in fact there are five or six taxation measures aimed at small business in that budget. It might be a good idea for her to read it.

I was a tax lawyer in Trois-Rivières when Marc Lalonde established tax credits for scientific research in his budget.

Mr. Saint-Julien: The theft of the century.

Mr. Vincent: His budget said that the cost would be $200 million.

Some hon. members: Oh, oh.

Mr. Vincent: Did you notice, Mr. Speaker, how shocked they are when we talk about real life?

Marc Lalonde had written in his beautiful budget that it was going to cost about $200 million. He was Minister of Finance so he just said "about $200 million". Do you know how much it actually costs Canadians? Four billion, including $1.9 billion in fraudulent claims, as the Auditor General pointed out. We spent $4 billion on a tax credit scheme which were to cost about $200 million. I did not say $4 million. I said $4 billion.

He knew it, but he did not do anything to put an end to it. We had to wait until the election of the Progressive Conservative Party and the appointment of the member for Etobicoke Centre as Minister of Finance to do away with that program. The meter was then at $4 billion, including $1.9 billion in fraudulent claims. Could my colleague across the floor imagine what we could do with $4 billion of taxpayer's money, $4 billion which simply disappeared?

Such was the Liberal policy. Unfortunately, they do not understand the budget. They do not understand its philosophy. They just do not understand what a budget is supposed to be.

• (1200)

I notice, that I am out of time.

[*English*]

The Acting Speaker (Mr. Paproski): There are about two minutes left for another question or comment.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is about facts. The hon. member for Trois-Rivières, who is also the Parliamentary secretary to the Minister of Finance, ought to know that statements should be based on fact. At the beginning of his speech, the hon. member said the government had reduced the deficit. I may remind him that, as reported in the Public Accounts of Canada, the Auditor General had three serious reservations about the government's accounting methods. In fact, the Auditor General said that the deficit should be $2 billion more than you estimated it would be. His reservations are right there in the public accounts. I think the hon. member knows what I am talking about. It was one of your accounting tricks.

My question is simply this: Does the hon. member know whether the accounting methods used last year are the same as the ones used this year or the ones that will be used next year? The problem is, Canadians cannot read your accounts because you keep changing the rules of the game every year. Did I make myself clear? Your accounting methods are no good. The Auditor General of Canada said so himself. Your accounting methods are lousy. What I have to say to the parliamentary secretary is this: Give us and give Canadians in general the assurance that the accounting methods you used this year are the same ones you used last year or will use next year, so we can compare.

Mr. Vincent: Mr. Speaker, I like the hon. member for Ottawa—Vanier, but he always has a knack of making a mountain out of a molehill. As you know, Mr. Speaker, accounting and generally recognized accounting principles are changing constantly. My hon. friend has been here long enough to realize that his own finance ministers changed their accounting methods, I would not say religiously but quite regularly, so I do not think he

should take that line of attack. I think he should look at the situation as it is right now and at the figures as they are. As far as that goes, I have no problem with the accounting methods used by the Government of Canada to make our figures crystal clear. The hon. member knows perfectly well that our accounting methods are pretty good, because our figures are not only for domestic consumption. They are also scrutinized by international organisation, so they have to comply with generally recognized accounting principles, and the hon. member admits as much. I can tell from the expression on his face.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, since debate has resumed, I would remind my friend from Trois-Rivières who is the parliamentary secretary—I do not want to take all my time talking about it—that he need only refer to the public accounts for 1991. On Page 2.23, the Auditor General, Denis Desautels, not I, wrote: "These reservations deal with what I believe is improper accounting for: (1) the effect of short-term wage restraint on employee pensions; (2) a reduction in the value of the investment in Petro-Canada; and (3) income tax revenue collected on behalf of provinces". He may be new but he is an excellent accountant.

He had three serious reservations that together amount to $2 billion which the government said it had saved, when all the accountants who testified before the public accounts committee and the Canadian Association of Accountants told us that is not proper bookkeeping. The parliamentary secretary who is close to the minister and on top of the issues should know that a serious reservation has been expressed about the public accounts and it should be heeded. All I asked him is this: Will he comply, will he listen to what the experts told us Canadians and will they change their methods so that we can read those accounts with some understanding and satisfaction that we are being told the whole truth and that the dice are not loaded?

That being said, I go on to the budget. By the way, I must say that this morning the estimates for the coming year were tabled and they contain everything the government intends to do in terms of programs. If people are interested, they can read 80 booklets on what is happening in each department and agency. These clearly explain, I think, what the government intends to spend for the year that begins April 1, 1992 and ends March 31, 1993.

[*English*]

The Tories have presented a budget that is cosmetic. It attempts to paint a rosy picture without addressing the fundamentals. It gives a little bit to a lot of people. It is like giving a mouthful of food to someone who is very hungry or starving. It provides fleeting relief but it does nothing to address the agony that person is having. We are having a terrible time in this country with regard to the economy and with regard to the confidence of the Canadian people in the future.

I suppose we should be happy. At the very least the Tories have admitted current weaknesses in the economy. I think they are getting the message from Canadians now that indeed we are having some problems. For all their admissions, they have offered little hope for those who have no jobs. These are the 1.4 million Canadians who are currently unemployed. There is nothing to help those on welfare. These are Canadians who would love to escape the cycle of poverty. There is nothing to stimulate the economy which needs a kick-start and should have been included in this budget statement.

The day before yesterday the finance minister based his budget on shaky assumptions. For example, he said that 500,000 jobs will magically be created by the large and small companies of Canada. These are the same companies that had their confidence shaken to the core by the destructive policies of this same government. It is a government which has not even provided the tools to help them compete in an atmosphere of free trade and intense global competition.

Those in government clear their throats with globalization and competitiveness, yet they have done nothing in the budget tabled a couple of days ago or in the estimates tabled today to give Canadians confidence that there is light at the end of the tunnel.

Another assumption made by the Minister of Finance is that Canadians will take the money from the marginal tax break they will receive in seven months from the reduction of the surtax. We calculate that that is about an average of $20 per Canadian. This is supposed to inspire them to go on a spending spree and get the

economy going again. That assumption is wrong and the Tories know it.

They ignore the every day reality of Canadians on welfare, on unemployment insurance, those whose job security is uncertain and those in my community who have been put on the unemployment list by the budget of this government. There are 500 people living in the Ottawa-Carleton area who will be losing their jobs because of the closing down of some agencies. These people will not be on a spending spree to ensure this government is pulled out of the economic mess it has created. I remind Canadians that the recession we are in was a made-in-Canada recession. It was announced the Prime Minister some time ago. I tell Canadians to remember that, if the Tories have the guts to call an election. They are the ones who put us into this position.

• (1210)

Confidence in the economy is low. *The Ottawa Citizen*, a newspaper in my community, reported on January 15 that a poll conducted by Angus Reid and Southam News in late December and early January found that one in three Canadians feared losing his job or feared even losing a job in the family. Further, Ontario residents were the most depressed about their personal finances and almost 40 per cent expressed concerns that a family could lose a job this year.

The finance minister says: "Oh, I have a short-term fix. Don't worry". We say to him that his short-term fixes will not work. We must focus on the medium and long term. We must set our sights on those medium and long term solutions. Since no significant measure was announced in this budget to stimulate the economy in the short term, at least let them have the guts to call an election and we will take over and make sure there are programs to look after the needs of Canadians in terms of job creation and in terms of getting the economy back on its feet.

Much of the disappointment of this budget lies in lost opportunities. They have lost the chance to do it. Some people even had the naivety to say this was a pre-election budget. I dare say that if it is a pre-election budget it does not speak very highly of this government's capacity. Of course when one speaks for 11 per cent of Canadians, I guess one's credibility is only so much. That is what government members do and they are at about 11, 12 or 13 per cent in the polls at best.

We suggested some things to get the economy going. The Tories listened to the request to get the down payment on a house purchase from 10 per cent to 5 per cent. They put that in, thank you very much. That is going to be helpful. They listened to the requirement of the real estate industry. For the last four years they have been coming around lobbying members of Parliament for at least four years on their approach to allowing RRSPs or a portion of them to be used to purchase a main residence. They have listened to that, except that I say it may produce from what I am told by the experts at best 10,000 to 12,000 new starts this year, possibly about 6,000. They did not listen to us on the infrastructure program that would have had in our opinion substantial spinoffs.

They followed the time honoured Tory tradition. They hit the national capital region very hard.

The Ottawa Citizen reported Wednesday: "This budget will cost this region an estimated $150 million in lost jobs and government spending". Up to 500 jobs will be lost as a result of the elimination or merging of 39 agencies and advisory boards. As I said, this budget will add to the unemployment rolls in this region. For the government to add to the 1.5 million Canadians on unemployment appears acceptable to them. I say that it is not acceptable. No Canadian in this country should go wanting. No Canadian who wants to work should be put in a situation where he or she cannot find appropriate remunerative employment.

It is indeed astounding, as my colleague from Toronto said a few minutes ago, that they would choose in a time of such great difficulties in the economy to cut agencies such as the Economic Council of Canada, the Science Council of Canada, the Law Reform Commission, the Canadian Environmental Advisory Council, and so on. We wonder. These were agencies giving government and the Parliament of Canada advice at arm's length. I admit that it was not always pleasing to the government, but at least it was objective, it was arm's length and it was constructive. Yet the government chopped it. Has the government lost sight of the value of independent evaluations of its policies and of its recommendations for future action?

I happen to chair the public accounts committee. When it comes to evaluating our programs to make sure that we are getting bang for the buck, that we are giving Canadians efficient services and that we are reaching the goals we have set, I am not so sure that disbanding the evaluation program in the Minister of Finance's department this year was such a good idea.

We criticized it; I think we were right. I understand the Parliamentary secretary to the Minister of Finance was saying that the scientific tax credit was a sham. Indeed it was. There were 10 evaluations made of certain programs going from the Cape Breton investment credit down to the disability tax credit. On every one of those evaluations by the Minister of Finance, his department said: "We are a bit embarrassed by the results of the evaluation". It was not just one program; there were ten. Yet they did away with it. They just said: "This is making us look like a bunch of fools here so we have to get rid of it".

Why is it that we are going to continue saying to Canadians: "We have a huge deficit, we have a heck of a big debt to repay"? The debt servicing charges per year are $40 billion, yet this government has done no evaluation of the debt management program. When we asked for that we heard: "Well, we will see". We would think on one of the most costly programs in this country, the debt repayment program, there would be a willingness on the part of the government to say: "Yes, we are going to manage this economy properly. We are going to be good managers and we are going to evaluate whether we should be borrowing short term, long term, medium term, whether we should go into Canada Savings Bonds, or whether we should go into other types of borrowing papers".

We are not getting there. It is sometimes very depressing to hear them tell Canadians that indeed we have a heavy debt. We do not know as Canadians whether that debt is being managed properly by this government .We should know. There should be a program of evaluating whether or not we are managing this debt. I put it to the government: "Do it and tell Canadians you will look at it at least and come up within the next few months with a program that will tell us whether or not we are getting bang for the buck".

I want to talk about the people in my riding. We are having a tough time in some parts of my riding. The social welfare programs are overloaded. If we listen to the regional government, it is going to cost an additional $60 million in the Ottawa-Carleton area to look after those people for whom you, Mr. Speaker, and all of us in this room care. We would like to see them be able to find a job and get some kind of relief from poverty.

I have soup kitchens in my riding. There has been a terrible increase in those relying on soup kitchens for one meal a day. It is depressing. Yet we hear this government, through the mouth of its own parliamentary secretary a few minutes ago, saying: "Canadians do not understand the difficulty we are in". They do, they do.

• (1220)

I want to read some statistics into the record about this so-called Ottawa fat city, the fat cat city as it is often referred to by some people in the press. In my riding of Ottawa—Vanier the signs of recession are everywhere: stores out of business and others struggling to survive. About 75,000 people in this region are receiving some form of social assistance, an increase of 34 per cent over last year. To put it another way, 11 per cent of the population in this region is receiving either welfare payments or family benefits. The number of welfare cases in Ottawa-Carleton jumped 41 per cent in 1991 and is expected to jump another 25 per cent this year.

In *The Ottawa Citizen* of January 3, 1992 the region's social services commissioner said that we had a crisis on our hands. This is not a political person speaking; this is an administrator. The cost this year alone will be in excess of $60 million. He expects the monthly average of welfare cases to jump to 32,000 individuals and families in 1992, up from 1991 with an average of 25,000.

Bankruptcies have been increasing. As reported in *The Ottawa Citizen* of November 28, 1991, in the Ottawa-Carleton area 167 individuals and businesses declared bankruptcy in October, an increase of 14 per cent from the year before. For the first 10 months of last year bankruptcies were up 35 per cent.

The chair of the social services committee at the time said in January of this year that she had never seen such an explosion of demand for social services, and I quote her: "The situation this time is different, particularly because of the type of people applying for assistance. You have white collar workers and even people in management whose savings have run out. People want to

work but just cannot find any work". Yet the government cut 500 white collar jobs this week.

The food banks are now serving 18,000 people a month in the Ottawa area. At the Shepherds of Good Hope Centre, which is in my riding, some 200 people a day receive food.

I want to quote from a recent report called "Overdrawn at the Food Banks: The Hunger Crisis in Ottawa—Carleton". It drives the point home: "Many emergency food banks first opened their doors in the 1980s to act as temporary measures. Instead they have become permanent. This is unacceptable in a country like Canada. There are three main reasons why demand remains high at emergency food programs: high unemployment, lack of affordable housing and inadequate social assistance allowances".

The recession has had an impact on my community, a terrible impact on people, and I ask this House to do something to help, to assist and to care for Canadians who at this time have no jobs, who are asking us to look after this situation and correct it as soon as possible.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, in response to the member for Ottawa—Vanier I want a bit of clarification. I believe he mentioned in reference to the finance minister a short-term fix. I do not think the finance minister ever ascribed to the short-term fix. The party the member represents is the master of the short-term fix which has created the problems that have made it so difficult for this government to operate.

The accumulation of the mountain of debt which besieges us today is really the problem. I quote from the minister's speech of two days ago when he delivered his budget. In reference to Canadians he said: "They do not believe that governments can borrow us out of the trouble that governments have borrowed us into. They know that higher debt means higher taxes and they want an end to rising taxes".

I question the member on that because it obviously does not work. Over the years we have proven that the accumulation of more debt just aggravates the problems we already have as a nation.

It goes back to the question of who pays the bills. We know who pays the bills. The Canadian taxpayers pay and they are sick and tired of paying. They want out from underneath it. The only way we can get out from underneath it is to work our way out, to pay off the debt.

The member made reference to articles which he quoted from various papers. I want to quote an article and maybe he can respond to it. *The Financial Post* interviewed Maureen Farrow, an executive with Coopers & Lybrand, yesterday. The newspaper reported: "During a post-budget breakfast, Maureen Farrow, the firm's chief economist, commended Mazankowski for presenting a budget that encourages economic recovery, government efficiency and increased competitiveness in the manufacturing sector".

She went on to say: "The reduced surtax rate on personal income tax will put as much as $500 million in consumers' hands in 1992-93". She also said: "The budget's emphasis on thinning the government and cutting the deficit sets a whole new tone for provincial budgets over the coming months". Possibly the member could allude to that article and place it into perspective in the big budget picture.

Mr. Gauthier: Mr. Speaker, surely we could allude to the present government's budget.

The budget demonstrated to some of us and to the majority of Canadians that the government does not understand the fundamental problem that is facing Canada at this time. Instead of addressing the fundamental mismanagement that has been going on in this country the government throws a couple of crumbs out there and thinks that Canadians are going to say: "Thank you very much". They will not say: thank you very much. They will boot you out, I hope.

Look at the green plan, $75 million was cut from it. The Canadian Race Relations Foundation and the Canadian Heritage Languages Institute, the continued existence of which would underline the government's commitment to a multicultural Canada, are out. That is Reform Party policy again.

The government is indeed very concerned and very worried about the Reform Party, as is shown by most of the things it has done. It has cut social housing. The co-operative housing program, which was started in 1971 in my riding of Ottawa—Vanier when the first co-op was built in my riding, was zapped. It took it out. Social housing has gone by the door.

I could go on and on. I see the member is rising. I will wait for his question, it may be more intelligent. The co-operative housing program was a very important program to us and this budget zapped it.

Mr. George S. Rideout (Moncton): Mr. Speaker, I first of all want to compliment my colleague on his address.

I am sure we were all struck by the terrible statistics he presented to Canadians so they could realize just how badly this government has mismanaged the economy. He alluded to some of the issues which I would like him to comment on.

The National Drug Strategy was reduced by $32 million when we know about the serious drug problem facing Canadians and our youth. Then there is co-op housing. Poverty and housing are fundamental issues facing us as we try to raise our children and help them become productive members in society.

At the same time, we see the privatization of the Canada Student Loans Program and we know what privatization means. It means that it is going to be turned over to the banks who are not going to be giving out the student loans necessary for students to continue their post-secondary education.

What will happen is that our students, who are now facing higher costs because of the GST and other mismanagement, are now not going to be able to get the necessary loans to continue their education. Education is vital to our youth and vital to our nation.

The government considers the budget to be fair and caring. I thought that the member for Ottawa—Vanier might want to comment on the fair and caring aspects of those cuts.

Mr. Gauthier: Mr. Speaker, yes, I want to comment. There was the child tax credit. Remember that? It was supposed to be a sacred trust.

My colleagues and I believed that the government's commitment to universality was paper thin. The government has confirmed that now. We now know where the government stands because day care will not be a national program anymore. The minister of health said so yesterday.

• (1230)

The government has failed Canadians. How many times do I have to repeat it? It has betrayed the trust given to it by Canadians and it is time we voted the Conservatives out.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The next two speakers will have 10 minutes and 5 minutes questions and comments. The first speaker is the hon. member for Halton—Peel. And next is Laval-Ouest.

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I would like to start off by congratulating the Minister of Finance on what he has been able to accomplish in this budget. It is an excellent, creative budget for disturbing times.

I would also like to congratulate the Minister of Finance for listening to the suggestions of many of my colleagues. Many members of Parliament in the Conservative caucus spent a long time offering suggestions to the Minister of Finance. Many of us were most happy and gratified to see that the minister did view a lot of those suggestions seriously.

This is a budget pretty well ideally suited for the times. When I say that I mean that the budget takes into account the fact that we are in a period of great economic uncertainty, that Canada has suffered a lot of unemployment, particularly over the past 18 to 24 months and that we are at the end, hopefully at the tail end, of what has been a long, tough recession for people. This budget sends out a message from the government, I hope it does, that none of us are suffering any illusions about the problems we now face as Canadians.

I am not going to stand up here today and say that the economy is getting better, that the budget is going to solve all the problems overnight and Canadians should have nothing but warm thoughts about the government. We have to be realistic. We have to make sure that we respond to people's very legitimate, real and human concerns these days. This is part of what this budget does.

Most of the criticism of the budget that I have seen has been that some of the critics of the government feel the budget did not contain enough stimulative measures to attack unemployment and that the government did not somehow come up with a lot of money instantly to create

quick solutions. That seems to be the thrust of the criticism, that I have seen to date.

I would like to address that point directly and specifically because I think it is a criticism really lacking in validity. I do not think that those making those criticisms have really taken the time to understand what the budget is trying to do.

First, if we need to have any reassurance, it is impossible to spend one's way out of bad times and into good times. We only need to look at the recent experience of the Ontario government.

The last budget in Ontario of the government of NDP Premier Bob Rae was a classic textbook example of an attempt to spend your way from bad times to good times. What that budget tried to do was the following. First, it increased civil service salaries. In fact, the size of the bureaucracy in the province of Ontario has been expanded. Second, that budget had an over-all significant spending increase in it. The spending increase was more than twice the rate of inflation at the time the budget was brought down. It was a very expensive exercise.

There were major transfers of funds to municipalities and school boards and hospitals. Basically, a lot of extra money was borrowed in order that it could be spent. So much more money was borrowed by the Ontario government during that budget that the deficit exploded from under $3 billion a year to almost $10 billion. That was an unprecedented explosion in the deficit.

Deficits, as we all know in this House, are deferred taxes. A deficit is not just money borrowed somewhere that does not need to be paid back later. Deficits are deferred taxation. Ontario tried to increase the deficit to $10 billion and at the same time raise taxes by about $1 billion so all this money could go into government spending.

What was the result?

An hon. member: Just ask them.

Mr. Turner (Halton—Peel): This was the kind of budget the critics are now criticizing the federal government for not having brought in. Therefore what were the results of the Ontario budget? The premier made a television address in January and told the whole province exactly what the results of his budget were. He admitted that it had not worked. The premier of Ontario said that in effect the economy of the province was going down instead of up as a direct result of his own economic policies, which he now quite rightly judges to have failed. Ontario now is facing a potential budget deficit not of $10 billion but of $14 billion in the coming fiscal year. The situation has gone from bad to much, much worse.

In the province of Ontario the government of the people has been forced into an austerity program. The premier has recognized that his stimulative budget did not work and now he needs to practise austerity. The premier has discovered what the federal government has already learned because the feds went through this process during the last recession of 1980, 1981 and 1982. At that time year over year spending was increased, the deficit was raised, and the debt was expanded in an attempt to spend our way out of bad times.

It did not work for Ontario in this recession. It did not work for Ottawa in the last recession. We learn from experience and example. The federal government now says that what we need to do today is to not repeat the mistakes of the past. We need to get people back to work. How do we do that? Not by repeating those other mistakes but by doing something fundamentally different. That is to create a promising economy that encourages investment. That is it.

We are trying to stimulate the economy through this budget and create jobs by creating confidence. That is the most important word today: confidence. That is what we are lacking.

I get distressed sitting in this Chamber listening to the critics of the government, such as the opposition member for Ottawa—Vanier who spoke a few minutes ago and focused most of his address on everything that is wrong. He focused on the existence of food banks, unemployment assistance and other examples of what is wrong in this economy which he was able to find, as were other critics.

I have a problem with those, opposition members and some media people, who have a stake in accentuating the negative about Canada right now. All that does is hurt the confidence necessary to restore investment to Canada.

I would like to talk specifically about this budget and the general theme of confidence. The budget does a lot not to solve any problems overnight but to move us a few steps along the path necessary to restore confidence to the economy.

For example, there are measures in this budget which will help encourage personal consumption by Canadians. They will encourage Canadians to get their money out of their bank accounts, spend it and help the economy. That is something the budget is trying to accomplish. We are doing that simply and primarily through a tax cut. Five hundred million dollars will be put into the hands of consumers this year as the personal surtax is cut. It is estimated that $1.2 billion will be returned to consumers next year through the tax cut. That is the first major thing this budget does to help restore confidence.

Second, we are trying to encourage people to get into the real estate market. This is pretty significant. I applaud everyone who for the last number of years has been trying to get a federal government to free up some of the pension funds invested in this country and get them put into the economy. The Canadian Real Estate Association, the premier of Ontario, the Leader of the Opposition, and a number of other Canadians have been trying to do that and they have finally succeeded. That is another confidence building measure.

Low interest rates and low inflation are two other points that help inspire some consumer confidence. On the business front this budget also specifically seeks to encourage investment by business people.

• (1240)

We will have a 2 per cent cut in the tax for manufacturers and processors. I think this is very important. Manufacturers and processors will also be able to write off the investment they have made in their equipment more quickly.

The Small Business Financing Program will enable people in business to borrow money at lower rates. Second, the ceiling on loans available to small businesses will be doubled.

I would like to say in conclusion that I almost consider this to be a dream budget. Many of the reasons why I came to Ottawa are contained in this budget: cut taxes, cut spending, cut the size of government, help the middle class through investments in their own homes, give them low mortgage rates so that their income is not sucked off in interest payments and help families. The child benefit helps families. There is tax fairness now. We will not have common law couples taxed at a lower rate than traditional families.

These are all goals that I had when I first stood for office. I am proud to support a budget that today encourages those goals, helps return some money to middle class Canadians and gives people a real sense that there is reason to be confident and that Canada now can really see a bright and powerful light at the end of the tunnel.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I listened very carefully to my colleague from across the way. He said that our party brings forward what is negative about the budget.

I wonder if he can enlighten me on what is positive about the budget. He does not talk about the food banks. We do. There are more McDonald's today than food banks. Even McDonald's has a commercial that says we are in tough times.

The budget does not do anything for the 1.5 million Canadians who are unemployed. The budget also shows that over the next two years we are going to be running at 10 per cent unemployment.

I have problems with that when I go and face people in my constituency. Parents come and tell me: "We have a few kids. We were both employed. We have our house. We were making our mortgage payments and our car payments and I was laid off. My unemployment is running out". I look at them and I do not have an answer. If this budget does not have answers for my constituents then I believe that the budget has failed.

We cannot help but see what this government has done over the past seven years. This budget is a repeat of the budgets of the past. In 1981 and 1982 I was a small businessman. I can assure members across the way that although we were in a recession we were able to survive. We fought our way out of it. Now businesses cannot fight their way out of it. They are saying enough is enough and they are folding. The bankruptcy rates have skyrocketed. In 1981 and 1982 they were not as high.

I know that the hon. member gave us some credit when we pushed for the RRSPs. I wonder if he agrees with me that we have to look at what is negative about the budget in order for us to bring the positive aspect out. Does he see one positive aspect in this budget when we have 1.5 million Canadians unemployed and when this budget clearly states that over the next two years our unemployment will be at 10 per cent? Does he agree with me that the Minister of Finance has failed us once again?

Mr. Turner (Halton—Peel): Mr. Speaker, I can be no more eloquent than my constituents.

Robert Beyette of Burlington wrote to me: "I suggest the Government of Canada run the business of the country and not the business of the people. All Canadians will win with less government. Bigger and more is not better". We have less government with this budget.

William Craig of Caledon East wrote: "I would like to see Canada get out of debt with tough measures. Re-educate and educate people to be in a position to compete globally". The budget does that.

Dave Stewart of Burlington wrote: "There will be a recovery. We are all part of the 90 per cent of Canadians surviving the recession". That is stressing the 90 per cent positive aspect not the 10 per cent negative. Mabel Mason is not a constituent. She is from Vancouver, B.C. She wrote: "To make things brighter and more secure the government should reduce taxes". The government has just reduced taxes in this budget.

Mr. Chris Creed of Burlington wrote: "I am concerned about the legacy we are leaving for generations to come". This budget is concerned about that legacy as well. It forecasts the deficit will fall to $27 billion next year, $22 billion the year after and $5.5 billion by 1995. That is reducing the legacy for generations to come.

John Beaumont of Bolton wrote: "You are suffering low polls due to taking strong measures to bring the deficit under control". He is right. The government is way down in the polls because the measures necessary to reduce the deficit and secure Canada's future have been tough. They have been brutally tough. No one on this side of the House is shying away from that. No one is less than proud of what we have done to address the problems that we inherited.

Mr. Guy Ricard (Laval-Ouest): Mr. Speaker, first of all I would like to thank my friend from Halton—Peel for sharing his time with me for this part of the debate.

[*Translation*]

When the Minister of Finance started to work on his budget, he looked at the facts this way: He looked at what we had in the past, the debts we had to pay, what we have now and what we should do for the future.

The debts that we had to pay are simply the national debt. As my colleague from Trois-Rivières explained briefly, the national debt now amounts to $420 billion. When we came to power in 1984, it was $206 billion. Compound interest is $239 billion over seven years and the government has a program operating surplus of $25 billion that can be taken from this expense item. We come up with a grand total of $420 billion. From there, the minister figured out how much he could collect in taxes and how much he should spend to meet the demand for programs. He tries to balance the budget. As you know, we have been unable to balance the budget for years, for the simple reason that we spend more than we receive. What is he trying to do? He is trying to cut spending as much as possible. Of course he will have to take the axe to something. Of course he will have to re-evaluate current programs, perhaps cancel some, try to do more with less, so that some day he can balance his budget.

When people tell us that we cut programs, or that we did not provide enough incentives for business, they should look at the key points in the budget. When we are told that people are hungry, that people want to work, that there are 1.5 million unemployed, I agree with that. Too many people are unemployed. To my mind, even one person without work is too many; everyone should work but sometimes unemployment is very high, which is an undesirable situation. Whether it is 1, 10, 15 or 25 per cent, I think that in some regions it is much too high, as we all know.

Now what are we doing to put all those people to work? Do we create federal government programs? Will the federal government hire 1.5 million people and pay them or will it try to give job creation incentives? Look at the highlights: action to bolster recovery, meaning economic recovery; reducing the personal income surtax; the home buyers' plan that allows using RRSPs to buy a first home. That will surely create jobs. More highlights: action for investment, initiative and jobs, manufacturing and processing. The manufacturing and processing tax rate will be reduced from 23 per cent to 22 per cent effective January 1, 1993, with a further reduction, to 21 per cent on January 1, 1994, that is 2 per cent in two years. If that is not an incentive I wonder what it is. The capital cost allowance rate will be increased for manufacturing and processing machinery from 25 to 30 per cent for machinery purchased after the budget date. This is

another 5 per cent. Direct investment in all sectors will be encouraged by negotiating reciprocal agreements with Canada's trading partners, in order to reduce the withholding tax rate on direct dividends to 5 per cent.

• (1250)

Research and development: an additional $230 million over the next five years. Lifetime capital gains: eliminated. Small business: the government will provide a small business financing program until the end of 1992, to help small businesses in financial difficulty, including farmers, to obtain loans at lower interest rates and so on and so on. I will not bore you with an exhaustive list, because I am sure you are familiar with these details. However, the incentives are there. If companies can upgrade their equipment at low cost, train their work force and acquire new technology, this will create jobs, it will get people back to work, and we will not have the problems we have now. An unemployment rate of 10 per cent may be better than 25 per cent, but it would be a lot better if we had only 3 per cent unemployment. It would be even better if we had zero per cent, and that is our objective with this budget.

I hear people on the other side criticizing the budget. Yesterday I heard the hon. member for Essex—Windsor say, in referring to the NDP's policy in Ontario, that the Government of Ontario was concerned about people, not about industry. He neglected to say, however, that the Government of Ontario increased its deficit by $9 billion, which is what happened. Putting people first is all very well, and I certainly want to help people, but I will not help them by using band-aid solutions. I will help them if I create a climate that is conducive to creating jobs and taking care of their family.

As far as economic recovery and research and development factors are concerned, it has been a long time since businesses in this country did their fair share of research and development. They relied on what they could get from governments, and I am referring to the federal government and the provinces, to obtain technology transfers and to buy technology instead of making it. They even bought technology abroad. They even asked the federal government to set up an agency to prospect for technology outside the country, and facilitate the process of looking for technology outside Canada. We did not renew our equipment and we thought this would go on forever.

If you consider the problems facing the pulp and paper industry in this country, that is exactly what happened. How come the Americans can produce a ton of paper more cheaply than we can here in Canada? Because they went back to school. They did research and development.

In this budget we see that we have a surplus of $230 million for the next five years. Now you will say this is not enough, and I agree. We should have a billion. Can we afford to spend a billion dollars on research and development in 1992, with the kind of financial constraints we have? Are Canadian businesses able at this time to take the technological plunge and invest this billion dollars in research and development? I do not think so. I think we have to encourage them, give them incentives the way we are doing now for research and development, but we should not expect every business in this country to start doing research and development tomorrow morning. It just is not true, and that is not how things work.

There are two kinds of research: applied research and pure research. It all takes time and it takes a bit of logistics to get there, but it is a step in the right direction. I am glad to see this happening. I asked the Minister of Finance during one of our consultations whether it would be possible to increase budgets for research and development. He told me he would try, but there were a lot of constraints. I said it was just as important as a grant for buying machinery, for instance. In any case, he remembered what I said, and I am very glad he did, but the fact remains that we will have to put a lot of effort into this for later on.

We might not see the results, but our children and grand children who will follow in our footsteps, here is politics or in business, will see them. They will be building the future. We have to pave the way for them. We should all join hands. All members in this House should work toward the same end. We talked about positive and negative things this morning, but I wish, keeping in mind that it is the future of our children, that the criticisms would be positive I would accept them if they were constructive. They would tend to the same goals of progress, development and competitiveness in order to give our children the future they deserve.

[*English*]

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I listened to the hon. member with interest. He indicated that we must have a positive outlook. It is very difficult for the 1.5 million people who are unemployed to have a positive outlook after this budget.

I particularly want to question the member about what this budget has done to students because he failed to mention that area.

As we all know, this government has been extremely hard on students. It brought in the GST and it even taxed books. It added an extra cost for a student going to university or any institution.

The government has cut the Established Program Funding to provinces. We all know how that affected the student. That cut made tuition costs go up.

There have been cuts to student employment programs, and the list goes on and on and on.

This budget, which you would think would introduce something positive for students, abolishes the six-month free interest period on student loans after graduation. Does the government not realize that 1.5 million people are unemployed, that jobs are very scarce for students? It is very hard for our young people to find a job or a position after graduation.

I want to ask whether the hon. member agrees with me that it is time for this government to stop attacking students?

[*Translation*]

Mr. Ricard: Mr. Speaker, I would like to say very simply that in the budget—I do not have the full text here, only the main points—the education credit relief for tax is being increased from $60 to $80 per month of full-time study, starting in 1992. Second, the maximum tuition fee and education credits that may be claimed by another taxpayer will be increased from $600 to $680.

We are talking about the 1992 budget. You might recall that a few years ago we set up a program called Challenge, which allowed students to be employed in their field of study in order to make some money before going back to school. This is not a new policy. This is not something we copied from someone else. This is the continuation of a policy designed by this government in 1984. I do not see why some people are trying to scare students by telling them that everything will be cut.

[*English*]

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, first of all I would like to compliment the finance minister. I happen to think that he has crafted a splendid budget meeting many needs of Canadians.

He listened and I can recall discussions with him in the early to late fall. Some of my objectives were to make sure that we got that deficit down. My goal was the $25 billion to $27 billion range. Canadians wanted to see more results after what they have gone through. He then came in with a $27.5 billion deficit.

I also asked the minister a question in the House about giving middle income earners a tax break. I specifically pointed to the surtax we introduced in 1985.

• (1300)

I am just delighted that he followed through on that issue by decreasing it from five per cent to three per cent.

Third, my constituents told me that this government must make another major reduction in expenses and the minister came through on that issue in a fine way.

I wanted to ask my colleague about the feedback he has received from his residents. I held my annual budget breakfast yesterday morning in Markham and the feedback from the 350 people in attendance was very positive. They were literally to a person, with a few exceptions, very strongly in favour and 200 out of the 350 people were high school students through corporate sponsorships.

Mr. Brewin: Anybody out of work?

Mr. Attewell: I hear my NDP friend talking. We are certainly at opposite angles to Bob Rae. He is building the biggest hole, the biggest deficit for people in Ontario we could imagine.

Will this budget stimulate the economy? Yes, it will. I would like to ask my colleague about what feedback he has heard. I am sure it is nothing like the rhetoric we have heard on the other side.

The Acting Speaker (Mr. Paproski): The hon. member has 30 seconds to answer that.

Mr. Ricard: It is pretty good feedback. I received 17 telephone calls and 15 of them were in favour of the budget. The two others said that they did not yet know if they would support it. That is 93 or 95 per cent support.

Mr. Attewell: That is pretty good.

Mr. John Brewin (Victoria): Mr. Speaker, I am pleased to participate in this debate on the 1992 budget and to put on the record my views, those of my party and those of my constituents from Victoria.

I would like to first comment on the budget itself. There is some good news in the budget. It is not all bad. I applaud the modest efforts the government has made to improve the management of government and the savings that it expects to get from that. That is always in order and will have support on all sides of the House.

We cannot help but support the decrease in the personal surcharge, but only as far as it goes. The move will only produce $2 per year for a single parent with two children. It produces something in the order of $19 a year for the average Canadian family and $116 a year for those whose incomes are over $100,000. It is a typical Conservative approach to tax reduction and is simply not satisfactory. However, to the extent that there is any relief at all from personal taxes in the budget it has our support.

As for the RRSP provisions, I think that when people look at them very carefully they will find that it is not the assistance they thought it would be. The repayments to the scheme that are required will be from taxable income. Therefore, the effect is that a person is simply borrowing from one's own RRSP, if one has an RRSP. Generally banks and other financial institutions will make that credit available in any event. There will be a modest savings in interest payments, but that is all. However, as far as it goes, it has our support.

Let me turn to the fundamentals of the budget. The budget left in the hands of the corporate sector in this country over $1 billion in business exemptions, primarily for entertainment, lunches and so forth. The government abjectly failed to tackle the issue of corporate giveaways in our tax laws. There is nothing in this budget for those who have already lost their jobs or their businesses as a result of the government's economic policies and the economic transformation this country is undergoing. Right across the country, Canadians are hurting and hurting badly. Whatever else was in this budget, it should have provided fairness and help for those who are suffering as a result of economic dislocation in Canada. The budget was silent.

The budget provided virtually nothing for job creation, and to the extent that it provided anything at all in the way of a stimulus for the economy it was misfocused, misguided and misdirected.

Unemployment will be admittedly left at over 10 per cent of the work force in the coming fiscal year. That figure is probably optimistic if past record is any sign. The government is reducing by $100 million the funds available to Canadian Jobs Strategy, one of the most successful programs in my constituency in Victoria, and presumably in other constituencies across Canada.

This budget marks no change from the failed economic strategy of this government. In fact, the budget document itself is filled with self-congratulations. We just heard it again from the member who spoke a few minutes ago.

Since 1984 this government has been leading the country to the brink of economic, social and political disaster step by step. It has done so by in large measure following the policies of the predecessor government. Despite all the rhetoric, the fundamental policies of both the Liberals and the Conservatives over the last 15 to 20 years have been in the same direction. This has left nearly a million children in Canada in poverty. In one of the richest lands in the world children are in poverty.

There remain terrible conditions on some of our native reserves and in many other communities across Canada. For hundreds of thousands of individuals the

country is already experiencing economic disaster. As hopes disappear, incomes disappear and with that comes a rise in social tensions, family tensions, marital breakdowns, alcoholism, and crime rates, as well as continuing pressure on the social structures and fabric of this country.

This government must be held accountable, as should its predecessors, for the squandering of the resources that we have been given in Canada. The budget specifically continues to erode federal government support for education and health programs. It eliminates, finally and officially, the family allowance program which has been an important part of our social structures in Canada and a statement of our community's understanding that children are important and that we as a community are prepared to support the children of this country.

This government has said in this budget and in the accompanying statements that its solemn commitment to the people of Canada to establish a national child care program is dead. It has killed that program with this budget, and with it one of the most critical elements in rebuilding a sense of society and community in Canada.

The budget has eliminated the Science Council of Canada, the Economic Council of Canada, the Canadian Institute for International Peace and Security, and the Canada Race Relations Institute. That last one is a particularly grievous breach of commitment by this government to Japanese Canadians and others in this country. Just before the last election the government made much of its reconciliation with Japanese Canadians who were treated so abysmally during the Second World War. When it made that commitment it had the support of this party and all sides of the House. It was righting a long-standing wrong. Part of the commitment it gave the Japanese Canadian community was that it would put up money for race relations which would be matched by the Japanese Canadian community. The Japanese Canadian community has kept its part of the bargain but this government has in this budget reneged on its solemn agreement.

The budget implements the Conservative strategy and philosophy on the economy. Let me set out my understanding of that policy and that understanding.

The key element of the Conservative philosophy, which is again self-praised throughout the budget, is that of driving inflation down as close to zero as it can get. Economist after economist has said that is a disastrous strategy and we are now seeing the results of that strategy. It has driven up the Canadian dollar. It has put our export industries in jeopardy. It has actually increased the deficit.

• (1310)

Half of the federal government debt in Canada today is due to the interest rates the government pays on the deficit. Only 6 per cent, I should add, is the result of operating spending by government. This government, by driving up interest rates to pursue an ideological ivory tower approach to the economy in the interests of trying to get inflation down, is destroying the Canadian economy and with it putting unbearable pressures on Canadian society.

Dr. Clarence Barber of the University of Victoria gave a very interesting speech in October 1991 in which he outlined in detail the impact of a zero inflation policy imposed by the Governor of the Bank of Canada, John Crow, with the full and enthusiastic support of this government.

The second element of the government's policy is the trickle down theory, that somehow if you help the rich the economy is going to get better. This government has helped the rich and well to do. It has hammered individual families. The GST cost individual families $570 a year. Since this government took office, individual families are now paying an additional $1,530 a year in taxes. Yet, on the other side of the coin, the corporations have been relieved.

The effect of all of this, the third element of the government's policy, is the privatization of government, the reduction of government as a partner in the economic future of this country. It is increasingly turning power over to the private sector and to the large, rich and powerful in the private sector. With that has come the decreased standard of living of people in this country.

Over and over again, economists have made it clear that it is far better to maintain a moderate level of inflation and tackle the problems of employment and unemployment than it is to have an ideological commitment to drive inflation down.

We in this party say that there is a key and important role for government as a partner in the economic and social development of a country, a partner with business and with labour.

The government is fond of discussing Canada's position in the international economy, but look at what its policies have led to: higher unemployment, losses of investment to the United States and elsewhere, destroying communities right across Canada, the growth siphoned off to pay for borrowing from foreign sources, a failure to diversify trade by putting all our eggs in the U.S. basket, failing to back global enterprises which are competitive and to insist in retooling the manufacturing industries in this country.

The government has step by step dismantled the shipbuilding industry in Canada. It is destroying the forest industry in Canada. It has cut back further, despite all the pleas, on research and development and most grievous of all, it has consistently reduced the money available for education and training.

Health and education spending, for example, dropped in the last full budget year by 10 per cent and defence spending has gone up. The priorities of this government, particularly now that the cold war is over, are backward.

Part of the government strategy is to drive down wages in the name of productivity. We have just seen this very week that one of the most productive car plants in North America, the GM plant in St. Catharines, is being closed despite the fact of its productivity, as part of a corporate, political decision made by its American owners. This government was silent and ineffective in its response to that.

The strategy has failed even on the terms the government itself has set down from the beginning and that is that the deficit is all important. Under this government the federal deficit has increased from $234 billion in 1985 to $420 billion in 1991. The government peddles the myth of the deficit. Look what it has done. It built a new embassy in Tokyo on lands worth $5 billion to $6 billion. It has handed out capital gains exemptions worth $11 billion in the last seven years.

In the next five years the corporate giveaways in this budget alone are worth $2 billion to $3 billion, unproductive to the future of the economy and to the creation of jobs, but $2 billion or $3 billion to the corporate sector in this country.

In failure to collect taxes alone the government is losing billions and billions of dollars. The last figures that I have are for 1987 when there was $16 billion in uncollected corporate taxes. Tax holidays originally handed out by the Liberal government and continued by this government have cost the Canadian taxpayer over the last 10 to 15 years $40 billion.

The government has done nothing to address private debt in this country. It talks about public debt and the ideological interest of driving down the role of government in our society, but is silent on the fact that private business has a debt in this country equal virtually to that of the public sector, $406 billion. The reality is the federal deficit as a percentage of Gross Domestic Product has declined from 8.8 per cent in 1985 to 4.4 per cent in the most recent year. Government spending as a percentage of GDP has reduced from 23.9 per cent to 21.9 per cent.

Japan invariably runs a higher deficit than Canada, and its international record is overwhelming. Public sector wages held up by this government last year as the problem represent merely 9.2 per cent of the federal budget, and on and on it goes. What we now have to do is turn our attention to an alternative approach to building a fair, just and prosperous Canada so that we can play our part in the world.

The other night there was a CBC *Town Hall* on television. It was fascinating watching the responses there from across this country. Out of that I jotted down a few thoughts of my own that might make an approach, a beginning to building the kind of economic policies that I think can hold this country together. The first and foremost is honesty in government. We have to start there. The government's budget in a number of areas was simply dishonest. We must start with honesty in government and begin trusting the people and listening to the people.

Second, we must begin at the community base and support community based initiatives. Some of the most dramatic success stories in Canada have happened at the community and municipal level. We have some from Victoria where the local Greater Victoria Development Economic Commission has had a number of projects which have led to a very impressive record in our community.

Third, we must support the leading edge industries in Canada so that they can be competitive internationally.

Fourth, we must not give up on the manufacturing sector. Leo Girard of the steelworkers made that point very succinctly in the town hall meeting and I think it is an excellent one. We still have a future in manufacturing if our government is prepared to back it, a future in shipbuilding, a future in the forest industry, particularly through secondary manufacturing instead of shipping jobs offshore.

Fifth, we must begin to build and rebuild the safety net for those who are caught in the dislocation that is happening in our economy. We are undergoing a transition. Some of that is global. Some of it is brought about by the government's policies. In either case communities, individuals and families need the support of all of us as Canadians, as a Canadian family when they are undergoing the dislocations. If it means we, as members of Parliament, have to cut back on our salaries and expenses, we should be prepared to do so. It also must mean that those who are rich and wealthy in our society must be required to cut back on their privileges: presidents who are making over $1 million a year with double that in privileges, stock options and all the rest.

Sixth, we need an effective capital works program as proposed by the governments of B.C. and Ontario. It is a tragedy that this government has let that opportunity go by. In my community of Victoria, for example, we need a sewage treatment system. The federal government must contribute to that to make it a reality. We need fair working conditions. We need a new trade deal. We need a progressive tax system. We need an efficient Public Service, not beating up on the public servants in this country, but drawing the public servants into an effective management and an effective delivery of service to the people. An effective Public Service and an efficient Public Service is essential to the development of our economy and to our society.

• (1320)

Auditors, for example, for every dollar spent on auditors we can raise $17 billion from corporate tax evasion or avoidance.

Finally, we must put money into Official Development Assistance and in the environment. This government has cut $75 million out of the green plan and has eliminated the Canadian Environmental Advisory Committee. Official Development Assistance, improving the lot of people overseas, particularly in the Third World, is an important long-run investment in the Canadian economy. Not only will it develop support for Canada overseas, but by increasing the standard of living elsewhere then we will improve our own.

This is a budget which does not do the job. There are alternatives and the time has come for Canada to move in a new direction.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, in relation to what the member had to say, I would like to congratulate him in one sense. He does recognize that the debt position of the government, our deficit position in relation to Gross Domestic Product, has improved remarkably in the last number of years. He mentioned the figure now being at 4 per cent deficit in relation to Gross Domestic Product and just four or five years ago those figures were in the order of 8 per cent. I congratulate him for recognizing that.

In relation to what he has just mentioned in regard to town hall meetings and what he would like to see happen to the Canadian economy, I would tell the member that 90 per cent of what is on his list we are already doing or have already achieved. What he has to do is pick out those specifics that we have not addressed. If you go through that list, I think you will agree that we are working on about 90 per cent of that.

I wanted to mention the Canadian dollar because the member mentioned the value of the Canadian dollar, I guess suggesting that we would be better off with a lower Canadian dollar and suggesting that the Canadian dollar is artificially high. I want to refer the member to a study done by Swiss Bank Incorporated.

In that study, they measured the value of the Canadian dollar, what they call the PPP, the price purchasing parity of the Canadian dollar in relation to other currencies. Specifically in relation to the American currency, their conclusion is that the Canadian dollar is not over-valued. If you want to get down to the very fine-tuning of the Canadian dollar, they say there might be a difference of a cent or less, based on what the Canadian dollar was in the late fall of 1991 which then was in the 88 to 89 cent range. The dollar having dropped four cents or more, I think we can all argue quite conclusively that the dollar is where it should be.

I guess it would be up to the member to tell us or suggest what the level of the Canadian dollar should be. We cannot rely on a weak Canadian dollar to pull the Canadian economy around. The Canadian economy is on sound footing. The fundamentals are there. They are correct. That, in a sense, is what is giving us that strong Canadian dollar. I think it is a strong compliment to the Minister of Finance and the government of the day.

Mr. Brewin: Mr. Speaker, the Canadian dollar in 1986 was around 72 cents and went up to 89 cents to the U.S. dollar in 1991. It has dropped a little bit as the member noted.

The fact remains in my community of Victoria which depends on tourism, on the forest industry, on exports and so forth, that the policy John Crow and this government has followed is a disaster. It is a disaster, and the proof is in the pudding. Right across this country communities are devastated by the economic policies of this government.

The member mentioned town hall meetings. During the break, I had an opportunity to meet with hundreds of people in Victoria and with many, many groups there. I began a process of discussing with them the development of federal economic policies that might enhance the economic long-term future of our community.

I would like to take the opportunity to put on the record some of the ideas that have developed.

The shipbuilding industry is one I have already mentioned. It does provide high quality jobs, but it needs government support. This government is one of the few in the western world that does not provide effective support for shipbuilding. It has allowed that support to vanish. We had the *Polar 8* cancelled on us despite the firm commitment of the government. That was unfortunate.

We want to see fair funding for the Commonwealth Games instead of having the government renege on the commitments that it has made.

We want to see a new harbour management system in Victoria so that that great asset of Victoria can be used effectively for our future.

We need new customs facilities. The government has consistently ignored that. It is important that we get those in shape particularly in time for the Commonwealth Games.

We need sewage treatment as I mentioned earlier. It is very important for our environment and for our international image.

We need the government to restore its role in the funding of education and health programs, major employers in Victoria. They are making a major contribution to our community and our country: the University of Victoria, Camosun College, and the hospital, which is one of the best in the country.

Finally, cultural and social programs are very important in our community. We do not get our share and it is time we did.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, we all have seen what happened in Ontario when the New Democratic Party came into power. It ballooned our deficit by about $14 billion.

I would like to ask a question of the member. Since 1984 when this government came into power, we had 33 tax increases, including the GST which devastated our country. We had free trade with the United States which created 350,000 job losses. The jobs were just sucked away in the United States.

Now this government is talking about free trade with Mexico which is going to devastate our country once again. The Americans are against it; Bush is trying to avoid it because of elections.

My concern is that although the NDP in this House is voicing a concern, its provincial governments are not standing up. The premier of B.C. and the premier of my province of Ontario, who we know is doing a disastrous job, are not standing up to the federal government and saying: "Look, enough is enough. Thirty-three tax increases. So many people unemployed, so many jobs lost. This budget is clearly not looking after the 1.5 million Canadians who are unemployed".

It is forecasting 10 per cent unemployment over the next two years. In the city of Toronto, in greater metropolitan Toronto, we need new infrastructure programs. It has been killing our city and this government has been totally ignoring it.

I know that the member comes from the western province of British Columbia which is a terrific province. In that province there is a New Democratic government.

My question is: Will he go back to that province and speak to his colleagues in the other provinces where they have elected New Democratic governments so that they will stand up to this Prime Minister? Or is he just going to pay lip service like Bob Rae is doing in Ontario? Are they going to do the same thing, a ballooning of the deficit? Are their programs once again going to balloon the deficit.

Clearly the $14 billion that we have in Ontario does not wash. Is the NDP paying lip service, or does it really care about the Canadian people?

• (1330)

Mr. Brewin: Mr. Speaker, it is interesting how the Liberals want to continue to play politics with these important issues and ignore the facts.

First of all, the economic problems in Ontario were visited upon that government by the programs put in place by the previous Liberal government and by the level of transfers from this federal government to all provincial governments, particularly Ontario, Alberta and British Columbia.

The Rae government in Ontario is making a major effort to ensure that the problems of dislocation are not borne simply by the least fortunate in our society, but are borne fairly by all in the community of Ontario.

The member refers to the previous policies of this government. Let me take the opportunity, in the minute or two I have left, to just put on record another area in which this budget is deficient.

That is in the area of defence, of which I am the spokesperson for our party. The defence budget now is 40 per cent higher in real terms than it was in the early 1980s. This budget, contrary to the impression the government intended to create, actually increases defence spending in the coming year by $150 million and a further $400 million in 1993–94.

The government is taking the correct step in withdrawing our forces from Europe as a result of the changes of the cold war, but it is taking most of that money and applying it to the defence budget without a serious review of roles for our defence forces in North America.

There is nothing mentioned here about NORAD and the $500 million we spend there. In fact, the budget actually provides for $140 million in modernization of NORAD despite the end of the cold war.

There is no review of our coastal patrol functions and how they should be changed. There is no review of our capital spending.

There is nothing concrete done about closing bases across Canada, where the government privately concedes hundreds of millions of taxpayers' dollars are being wasted in keeping bases open that have outlived their usefulness.

Those bases should be closed in full consultation with the communities involved and there should be support for the individuals and families who have to undergo transition. But the fact remains that the government has ducked its responsibilities in this area at huge costs to the Canadian taxpayer.

The government does not even make a commitment to sell the lands in Downsview, in the heart of Toronto, which have no more military function that is needed and can be used for social housing and for other needed community facilities.

So the government has neglected its responsibilities in the defence area. It is not taking a tough position in view of the end of the cold war.

The time has come for a peace dividend for this country. It is a shame the government did not proceed with it.

[*Translation*]

M. Yvon Côté (Richmond—Wolfe): Mr. Speaker, it is with great pleasure that I take part in this debate on the budget the hon. Minister of Finance has just tabled. Even more so since this budget reflects the good advice the minister has receved not only from his colleagues and fellow members of this House but also from people throughout Canada. Is there one member, who has not heard our fellow citizens express their opinion, their concern and even their anger at times about the way the Federal government manages its finances? The minister has attempted to gather all these comments, suggestions

and criticism from various sources as I mentioned and to consolidate them in what, I am happy to say, turned out to be a truly remarkable budget.

I must say, that this budget is the end result of much preliminary work. Let me explain. The budget before us today is one for growth and recovery. This would have never been possible had we not managed to first bring inflation under control. We will remember that 20 years ago inflation had reached 15 and 18 per cent in Canada. In those days interest rates were between 17 and 20 per cent. There would have been no use, in my opinion, to come up with a budget such as this one four, five or six years ago because inflation had to be brought down before interest rates could come down. Just when we need it, here comes this new budget. A happy ending to all the problems created by galloping inflation and high interest rates which have now levelled off at such a low rate that it is the envy of a great many nations.

We have desirable interest rates and low inflation, which now enable us to restore the back of confidence in our economy. This is what this budget is all about: restoring a climate of confidence for the people, the consumers, the small investors who have gone through rough times and of course the foreign investors. That is what we should focus on. I would like to take the time I have left to emphasize the positive aspects of this budget. I see this budget as very reassuring in terms of economic recovery. I will go into specifics in a moment. I also see it as fair for Canadian taxpayers, as well as thrifty and inexpensive in strict budgetary terms. Those are the three angles from which I will evaluate this budget.

Let us talk about the budget as it is designed to stimulate economic recovery in Canada. Canadian taxpayers and consumers will first benefit from a reduction of 1 per cent of the surtax, which will put close to $500 million in the taxpayers' pockets, and that money will be used again to buy consumer goods. If that $500 million is put back into circulation this will of course generate new confidence. Also consumers will benefit from the program allowing them to use their RRSPs to gain access to property, which is a right. Canadians will be able to use the pension fund they have set up through their hard work. They will be able to make a dream come true and borrow up to $20,000 from their own fund which amount they will later put back in their plan over a period of 15 years. This will also increase economic momentum and generate confidence. When things go well in the building trade, the go well everywhere. Those are two examples at the consumer level and we will be able to mention others. In fact this budget is full of initiatives.

However, economic recovery cannot rely on consumers only. Investors also have to step in, and we are talking about investors that are capable of providing a financial push, but in a very sound economic climate. Here again, there will be a tax reduction of 1 per cent. There will also be, among other things, an increase of the capital cost allowance rate on their machinery. This will give an opportunity to increase production by replacing machinery that is now obsolete, fragile, old and that should be replaced for the sake of competitiveness and productivity. Again this will help Canadian consumption.

I believe the Minister of Finance showed that he was extremely receptive to our productive labour force by providing it with the means and the stimulants necessary to work and to make work, and that is the most important thing. There is no point in investing billions of dollars to increase services if a climate of confidence has not been generated. We had to demonstrate that inflation was under control. We had to demonstrate also that interest rates would go down, and we have achieved that. Now, this climate of confidence can be generated and it is with that objective in mind that one must look at the budget. There will be no overnight miracle. It is a long-term approach that is in fact totally different from the approach in budgets of seven, ten and fifteen years ago. I agree that those budgets provided for massive investments, but the objectives were always short-term and this unfortunately led us to stagnation and successive deficits that have contributed to the debt we now have.

• (1340)

Beyond this recovery and the climate of confidence that it generates, I also see in this budget a more equitable vision towards society, the family and the human being. The budget heralds positive social changes. Beyond the tax reduction that every taxpayer will enjoy, there is support to the family, thanks to this very audacious reform of family allowances which will now be paid in one cheque, in a single contribution.

We will help families who cannot make ends meet in these hard times. Poor, economically vulnerable families will find in that single monthly benefit of $143 per child, more than $1,700 a year, a boost to their well-being and to the improvement of their living standard.

That is another vital aspect of this budget we must remember. Of course, the home ownership measure will produce a sense of security, of economic progress and will also create for our families, our children, a better living environment, a new quality of life.

Thirdly, Mr. Speaker, this budget costs little. Of course we could have spent billions more, we could have added expenses to the deficit and transferred the whole thing to the debt. We could have done all that, but our concern, our priorities do not reside in this short-term view based on spending billions and billions; quite to the contrary, we wish to arouse a sense of effort, an enthusiasm for more competitive communities through dignity in our families.

The third aspect of this budget is that it is economical. We had to give it some thought and make internal transformations so that our population could strive at getting better living conditions and a better outlook on life. In this regard, we had decisions to make. For example, we had to eliminate a total of 46 government agencies in order to get the money we will be distributing to people. What I mean, is that the budget contains cuts but the amounts saved are given back to the people who need it, through other equitable and fair measures or programs. Of course, as some people said, the cuts could have been more severe.

But first, the government had to retarget those cuts to make them efficient and to give some dignity to Canadian families. Therefore, I see this budget as a responsible measure that really addresses the problems and, most of all, that does not compromise the future of our community.

As a matter of fact, the day after the budget, I saw some very interesting things, Mr. Speaker. We can always be accused of partisanship, but on February 25, I read in *The Globe and Mail* an editorial entitled "A Good Recipe For Tough Times". It is a good headline. It reflects the ingenuity that the minister demonstrated in his budget, and I quote:

[*English*]

"Finance Minister Mazankowski faced a number of challenges as he prepared his first budget. He has credibly addressed each of the challenges without succumbing to the ill-considered advice of provincial premiers and others who demanded that Ottawa try to spend its way out of the recession. Mr. Mazankowski has found ways to intelligently support a recovery".

[*Translation*]

That is a responsible government. There is another title on which I could elaborate with su.cessive quotes. Mr. Dubuc, of *La Presse*, entitled his editorial "Wilson's Iron Hand, Mazankowski's Velvet Glove". And there are many more. People are just expressing their satisfaction with regards to how, in a long-term strategy, despite all the difficulties, this government has been able to control inflation, lower interest rates and put itself in a position to restore confidence.

Another headline: "Budget Brings Confidence, Business Community Seems Encouraged." I used those quotes to show without any partisanship, that some people see this budget as a responsible and courageous measure.

In closing I want to say to all Canadians that to govern does not mean only to look after tomorrow's needs. It means to think about the Canadian family 10 years from now, to improve the quality of life, of the environment, of education and of work conditions. It is in that perspective that the government tabled this budget. Again I am proud to be part of this government because it was able to take its responsibilities.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being 1.48 o'clock, I do now leave the chair until 2 p.m.

The House took recess at 1.48 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EDUCATION

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, once again students are being hurt by this government's policies. The budget abolishes the six month interest free period on student loans after graduation. This will place students deeper in debt as they prepare to launch their careers.

The federal government seems to be oblivious to the fact that its economic policies have made jobs scarce for students. It seems intent on making it as difficult as possible for students to get started in their careers.

With the GST on books, the fact that $800 million will be cut in transfers for education and health this year and cuts to student employment programs, one would think this government has gouged students enough.

I call on this government to recognize that if our country is to be competitive, if our workforce is to succeed, if our economy is to prosper, the federal government will need to stop attacking students with its policies and start assisting them.

* * *

AIR–SEA RESCUE

Mr. Peter L. McCreath (South Shore): Mr. Speaker, during the 1988 election campaign the government promised that it would locate a fisheries patrol and air–sea rescue helicopter in southwestern Nova Scotia. Shortly after the election Tom Siddon delivered on that promise and the helicopter came to Yarmouth.

During the last three years the helicopter has had a profound impact in deterring fisheries violations in the Scotia–Fundy region. As well, there are a number of fishermen alive today who owe their lives to the existence of that helicopter.

Now the contract is up for renewal. One hears that there is a push from officials in Ottawa to discontinue the helicopter service. In the strongest terms possible I urge the Minister of Fisheries and Oceans and the Minister of National Defence not to yield to these recommendations.

The helicopter service must remain in Yarmouth. The lives of Nova Scotia fishermen must not be put on the chopping block.

* * *

THE BUDGET

Mr. John Brewin (Victoria): Mr. Speaker, in the budget the government recognized on the one hand the end of the cold war by announcing the withdrawal of all Canadian forces stationed with NATO in Europe. Yet on the other hand the government failed to deliver on the peace dividend that the historic events in Europe required.

In this budget the government is actually increasing defence spending by $150 million in the upcoming year, by $400 million next year, while it cuts the Canadian Institute for International Peace and Security, cuts Official Development Assistance, cuts $75 million from the green plan. The government is actually increasing spending on capital projects under the defence budget. This is simply bizarre.

The time has come for the government to take a new look at the role of Canadian forces in the post cold war period, to cancel the NORAD agreement, to come up with a new role on our coasts and to begin to produce a peace dividend to deal with global poverty, the global environmental crisis and a new approach to—

Mr. Speaker: The member's time has expired.

* * *

[*Translation*]

MINING EXPLORATION

Mr. Guy Saint–Julien (Abitibi): Mr. Speaker, the Association des prospecteurs du Québec is very disappointed with this budget in which the government did not take into account any of the fiscal measures suggested by the association in order to restore funding for mining exploration in Quebec and in Canada. Since the elimination of the Canadian Exploration Incentive Program in February 1990 the federal government does not think that the mining exploration activity, and hence the mining industry is a key component in the economic development of our resource areas and of Canada.

If Canada wants to remain one of the world leaders in the mining industry, the government will have to realize that the mining industry knows no boundary and that it operates in the countries offering the best conditions for its development. Canada now has an effective and competitive mining industry, which needs further support from the government to keep playing a major role in the global economy.

Mr. Speaker, the federal government keeps the flow-through shares intact and must sign, as soon as possible, a Canada-Quebec subsidiary agreement for the mineral sector of Chapais-Chibougamau, and one for the other mineral sectors in the Abitibi-Témiscamingue area.

* * *

[*English*]

PORNOGRAPHY

Ms. Mary Clancy (Halifax): Mr. Speaker, the judgment this morning by the Supreme Court of Canada on pornography constitutes a victory for Canadian women and children. The highest court has recognized that there is a link between hard core pornography depicting women and children in violent, degrading and dehumanizing acts, and violence against women and children.

It has ruled that the undue exploitation of sex and the degradation of human sexuality is harmful toward those involved in such acts and to society in general. Consequently it violates the principles of equality and dignity.

The court has also acknowledged that the message of obscene materials is analogous to that of hate propaganda. Women can also claim victory because the court has recognized that a solution to the problem needs a multi-pronged approach. In the words of the judges, "education and legislation are not alternatives but complements in addressing such problems".

Today the government cancelled the Court Challenges Program, thereby shutting out many women and many minorities from the judicial process. Today, the news from the court was good, tomorrow the opportunities will be gone.

[*Translation*]

NATIONAIR

Mr. Gilbert Chartrand (Verdun—Saint-Paul): Mr. Speaker, for several months some people have been desperately trying in bad faith to ruin the reputation of Nationair, a Montreal firm which hires more than 1,800 workers. Lately the daily newspaper *The Gazette* has published an awful article, written by Mr. Mackintosh about the crash of a Nationair aircraft in Saudi Arabia. Everyone in the business and most of all the unions know very well that the company has nothing to be blamed for. Somehow Nationair fights a lonely battle against some vipers whose only goal is to destroy it.

I am wondering if this is not a conspiracy against a Quebec company. More than a thousand jobs are at risk in this whole thing, which is pretty sordid. What are the people concerned waiting for to make a public announcement that Nationair is as safe as any other air carrier in Canada?

As a member of Parliament from the Montreal region, it is my duty to protect those jobs. The Nationair employees need support. As far as I am concerned, I trust them and I travel with Nationair.

* * *

[*English*]

MACEDONIA

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I am rising to bring forward concerns that have been raised across this country in light of the Prime Minister's meeting of January 27 with Mr. Gligorov who is representing one of the newly independent states created out of the remains of Yugoslavia.

This coming Saturday thousands of Canadians will be rallying on Parliament Hill to express their concerns over the situation in what is being called Macedonia.

I and many other Canadians have a problem with this new state, which is provoking unrest with its claims of Greek territory and giving aid to groups which advocate civil unrest.

I would like to ask the intentions of the Prime Minister in regard to official recognition of this country by Canada. I would also like to ask that this government today give assurances to this House and to the half million Canadians of Greek descent that prior to extending recognition to this area the government will get assurances from Mr. Gligorov that his government's intentions toward Greece and other neighbouring countries will not be the cause of future problems.

* * *

WITH GLOWING HEARTS

Mr. Garth Turner (Halton—Peel): Mr. Speaker, this coming Sunday evening, March 1 at 7 p.m. on the CTV television network across Canada, Canadians will view a program called *With Glowing Hearts*. This show celebrates our country's national anthem *O Canada* and the outstanding artists and recording stars who recently made possible this new and spectacular version of the anthem.

I urge everybody to watch this and reflect on how great a country we have in this our 125th year.

Let me take this opportunity to salute the proud Canadians who made all this possible. Ross Carlin, Bryan Lyon, Hayward Parrott and Eric Robertson began this journey of patriotism. Along the way we were joined by some corporate leaders of vision, namely Canada Post, Coca-Cola, Canadian National, Ford Motor Company, Prudential Insurance and Maclean Hunter. It has been my extreme pleasure to have been associated with all of these outstanding people and corporations.

* * *

• (1410)

THE BUDGET

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, we soon enter the 21st century. Would the government please leave the tar sands and join the rest of us.

I share the outrage of women all across Canada. For women, the Conservative budget means no to pay equity, no to equality, know your place. The arbitrary date this government has set for pay equity is costing 70,000 women $1 billion. This government just refuses to listen.

It eliminates advisory boards and councils. It dismisses the rulings of the Human Rights Commission. It threatens legislation to circumvent the courts.

Today Court Challenges, the very program which fights for equality, is to be phased out.

As we speak human rights groups are gathering here to protest.

This government would rather pay lip service than pay fairly. This government would rather pay for food, drinks and escort services than pay equality. This government is saying no to equality. This government is saying no to democracy. And this government is saying no to Canadian women.

* * *

[*Translation*]

NATIONAIR

Mr. Vincent Della Noce (Laval-Est): Mr. Speaker, the 450 Nationair crew members who are locked out since November 19 are victims of a fool's deal stirred up in Toronto by the bigwigs of the Canadian Union of Public Employees, better known as CUPE.

I am wondering if CUPE's president, who is himself an Air Canada employee, is not simply trying to kill Nationair and Mirabel just to run for re-election claiming to be the one who put that Quebec national company in its place.

I think it is a conspiracy to discredit Quebec. All they want is to eliminate a genuine Quebec company that is taking an ever bigger part of the market and discredit it at the same time, for unknown reasons—Nationair and Mirabel.

I would hope that Nationair's locked out employees will wake up soon and regain control of their union. With their boycott, they are going to jeopardize not only their own jobs but also the future of 1,800 other people who have nothing to do with that labour conflict.

We really cannot afford to lose 200 jobs in Quebec.

S. O. 31

CO-OPERATIVE HOUSING

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, once again, the Conservative government penalizes the middle class. This last budget proposes unjustified cuts in the Canada Mortgage and Housing Corporation spending on new housing co-ops.

According to Monique Blanchet, who heads the *Fédération des coopératives d'habitation de l'île de Montréal* the federal government's withdrawal from this sector will mean that 500 units will not be built in the Montreal area this year.

The government thus hopes to save $622 million over the next five years at a time when the need for social housing keeps increasing. In fact, the Conservative policy will affect tens of thousands of units in Quebec only.

I ask the government to reconsider this irresponsible proposal and I plead it to stop penalizing the have nots for its mismanagement.

* * *

[*English*]

SMALL BUSINESS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, one of the best federal government programs for small businesses is the business improvement loan under the Small Businesses Loans Act. Under this program the federal government will guarantee loans to purchase or improve land, buildings, and equipment for small business.

Until the recent budget the limit for qualifying loans was $100,000 for small businesses with sales of $2 million or less. The proposed changes in the budget increased these maximums to $200,000, to be paid over a 10-year period. The business improvement loans make it easier to borrow money while providing banks with much more security.

This program is not well known to the business community but applications should be available from any chartered bank, from the small business loans administration, an FBDB office, or me. In fact I am sending a brochure on the program to every business in my riding. But if I miss anyone please contact my office and I will forward the information right away.

CANADIAN RACE RELATIONS FOUNDATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, on September 22, 1988, the Prime Minister, on behalf of all Canadians, apologized for the racist treatment and internment of Japanese Canadians during the Second World War.

As part of the redress package he announced: "In commemoration of all who suffered these injustices, we will establish a Canadian Race Relations Foundation to foster racial harmony and cross-cultural understanding in Canada".

Bill C-63 to establish the foundation was passed in 1990. We learned in Tuesday's budget that this bill has not been proclaimed after two years.

This allows the government to renege on redress promises that were made by this House on behalf of all Canadians. Funding for the foundation and also for the important Heritage Language Institute will be withheld indefinitely.

We agree with the National Association of Japanese Canadians that this delay indicates the eradication of racism and discrimination "is not a high priority of this government".

* * *

THE LATE GEORGE RICHARD AGAR RICE

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, the dean of Canadian broadcasters is dead.

George Richard Agar Rice died Tuesday in Edmonton at age 92, having spent 66 years of his life as an active Canadian broadcaster.

From his founding of CJCA for *The Edmonton Journal* in 1922, he went on to establish his own CFRN-AM in 1934, CFRN-FM in 1948 and CFRN television in 1954. He was a co-founder of the CTV network.

Dick Rice was a philanthropist who chose to endow Edmonton and Canada in the performing and visual arts, in post-secondary education and worthy community projects. He was a visionary who anticipated technological and social trends. He was a giver, not a taker, who knew service must precede success.

He organized Alberta's 1967 celebrations of the centennial and received an honorary doctor of laws degree for his service to and support of Alberta's three universities. He held the Order of Canada and the Alberta Order of Excellence.

Above all, he was a mentor to three generations of Canadian broadcasters of whom I had the good fortune to be one.

* * *

THE BUDGET

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in 1990 when the Minister of the Environment launched the green plan he said: "Canadians want their green plan to be adequately funded. Cabinet has authorized a $3 billion budget over five years".

In 1991 the funds were stretched over a six-year period. In 1992, $150 million were deferred to a later date. Clearly with these actions the government is breaking faith with its commitment to the environment.

But that is not all. The government is now closing down the Science Council, the Canadian Environmental Advisory Council, the International Centre for Ocean Development.

These decisions are short-sighted and damaging to the well-being of Canadians. These useful bodies have served the public interest well. By suppressing these voices, the government continues its agenda to dismantle Canada.

ORAL QUESTION PERIOD

[*English*]

MAIN ESTIMATES

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister arising out of the spending estimates tabled today.

In Tuesday's budget the government said that it is committed to restraining its spending. In that budget the government had no money for the Science Council and the Economic Council. In today's estimates, the government said that it will be spending millions of dollars on a museum of humour.

Why is there no money for research, the unemployed, day care but millions of dollars for a museum of humour? Is this because the Prime Minister wants a showcase for all his broken election promises?

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I think that the hon. member knows full well that this grant was given to a Montreal cultural agency exactly two years ago for a fixed period of time for the development in Montreal of a building representing millions of dollars in investments and hundreds of jobs. I would like to hear the hon. member from the opposition tell us that he is opposed to a cultural agency that could create jobs in Montreal.

Hon. Herb Gray (Windsor West): Mr. Speaker, yesterday, the minister talked about priorities. He said that because of the new priorities it was possible for him to break his promise of putting in place a national child care program. I ask the minister once again why is a museum of humour more important than child care facilities for Canadian families in Montreal and everywhere in Canada?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I ask the hon. member of the opposition to tell us, contrary to what his colleague the hon. member from Montreal regularly tells us about job creation, that he is opposed, and I would like to hear it directly from the hon. member, to Montreal cultural agencies creating dozens of jobs for Montrealers in a city where 600,000 people are below the poverty level. That is what I ask the hon. member.

• (1420)

Hon. Herb Gray (Windsor West): Mr. Speaker, the minister does not have the courage to answer my question. Why is the government spending several million dollars for a museum of humour when, at the same time, it is cutting back its co-op housing program which means that 500 new units will not be built this year in the Montreal area?

There are 10,000 names on the waiting list for such units in the city of Montreal.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, once again the hon. member knows full well that this cultural organization, incorporated in Montreal, organizes a summer festival which generates millions of dollars for the people of Montreal.

I am asking the hon. member on behalf of my colleagues from the Montreal area whether he is against government subsidies to organizations which create hundreds of jobs in Montreal.

* * *

THE BUDGET

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of Finance.

The minister is bragging about helping our job creating industries when, at the same time, his budget predicts real interest rates three full points above those in the United States, our main competitor. This is an unbearable anti-competitive gap.

How does the minister think he will create jobs while imposing such a costly burden on Canadians? By praying?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am sure the hon. member will be pleased to know that the bank rate dropped by six basis points today. That is a clear example of the confidence in this budget.

There are also some other very encouraging signs. In spite of all the gloom and doom that the members opposite always raise, it is interesting to note that General Motors is calling back 2,700 workers in this coming year at the assembly plant in St. Thérése. It says: "This is because of the high quality levels of union co-operation and we were able to persuade the head office to make us the only Firebird and Camaro producer in the world. We are alive and well and ready to compete".

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, surely the hon. minister has been in the job long enough to understand the difference between real interest rates and nominal interest rates. Our real interest rates are crippling compared to the American's.

The assumptions that are set out in the budget are less than honest as, indeed, was that answer.

The minister says he is going to lower the unemployment rate, yet he also calls for economic restructuring without any adjustment measures and that means massive job loss.

He calls for real interest rates to continue at a level substantially higher than the American's. No retraining, little R and D.

Who does the minister really think is going to turn the Canadian economy around, John Crow or St. Jude the patron saint of hopeless causes?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the Canadian prime rate is 7.5 per cent. The U.S. prime rate is 6.5 per cent. What is the hon. member complaining about?

* * *

THE CONSTITUTION

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

There has been great progress made in the talks of the joint parliamentary committee. All of us on that committee are working in the interests of unity of this country. I truly believe that all of us who have worked on the committee feel that commitment very strongly as federalists.

I want to say to the minister that, yes we are now down to the wire and negotiations go this way. We all understand that. Also, we want to make reasoned decisions and we want to make them in the light of day and not at 3 a.m. or 4 a.m.

In the interests of working toward unanimity which we would like to see, will the minister consider a delay of one week until the House resumes after its one week recess so that we can meet again to come up with the final report rather than having to do that tonight and tomorrow morning?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I agree entirely with the leader of the New Democratic Party that there has been extraordinary progress made on the great majority of substantive issues. None of us would have believed this progress to be possible two or three months ago.

I am as conscious as anyone in this House, perhaps more conscious than others, of how much progress we have made in public opinion since the low point in November when party differences made Canadians begin to wonder if this would all come apart.

It would be the worst possible signal for a Parliament that has achieved so much agreement on so many important issues to appear unable to keep its deadline tomorrow. That would be a very, very major problem to the cause of Canada and to the interests of federalism.

My strong inclination would be, knowing the strain everyone is under, to urge the parties to continue in the spirit that has marked most of our discussions so far.

They should continue to try to find agreement and to meet our deadline. If we do not meet tomorrow's deadline, we are forced back on other deadlines that the country faces.

Canadians want us to get on with this matter. They know there is remarkable agreement and they want us to continue on that path of agreement. I believe that if we have the will in this House we can do that and we can do it tomorrow.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I want to say to the minister that I have been one of those people who has not advocated a delay of the report of this committee.

At the same time people want us to resolve the Constitution, do it expeditiously and deal with the very important matters of the economy as the minister has said as well as other issues.

Surely Canada is worth one week's time. I also want to be very clear that we are not talking about it because people are under stress. We are all under stress. We all agree with that. That is our job.

Does the minister not think, in the interests of trying to send a positive and, I hope, unanimous message to the country, that one week would not be worth considering?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): There is no question I made the decision back in April that this country was worth everything I could give to it. I have been trying to proceed in that spirit since that time.

I am extremely worried about the signal a delay would send. I know, as the hon. leader of the New Democratic Party knows and the Liberal Party knows, there has been progress on aboriginal issues, on issues of institutional reform, on issues of powers for Quebec, potentially on issues of 121, the economic union.

There has been extraordinary progress made in this committee and the country is taking heart from it. Federalists in Quebec are taking heart from it. This is a fragile thing, a very fragile thing.

We saw that three or four months ago when this Parliament looked as if it was going to let the country down. This Parliament cannot let the country down again. It would seem to me that the best thing for us to do would be to realize that this country has to be the preoccupation of all of us. It is better for us all.

It sends a better signal to Canada and to our future if we respect the deadlines we have all known for months that we have had so that we can go on to meet the other deadlines that we all know we have to meet.

If we do that, we can then get on to deal with the other issues that all of us believe this country should be free to deal with.

• (1430)

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the signal will be clear: the country comes before everything. It comes before the parties; it is Canada that counts and, in my opinion, Canada deserves an extra week. The minister does not seem to agree.

I have another question. Would the minister consider, with his caucus and with the Prime Minister, the fact that it is more important to take time to examine carefully everything that goes into the search for unanimity?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I am always reasonable and flexible, but I believe there are certain realities here. There is right now, in Quebec and elsewhere, a momentum in favour of Canada that we do not want to jeopardize. It may be a difference of opinion, but I believe that the signal sent by Parliament if we cannot meet our own deadlines will be perceived as a bad signal that could discourage federalists in Quebec.

Moreover, I am convinced that if we do not meet our deadline this will be perceived or reported as an indication of deeper differences than the ones that actually exist. The reality is that there is a great consensus among the federalist parties here and we do not want to give Quebecers or others the impression that we do not agree on basic issues, because we do agree on the basic issues. I believe it is in our interest to indicate to the world, to Canada, and to Quebec that we agree.

Some hon. members: Hear, hear.

* * *

MAIN ESTIMATES

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, the Main Estimates for the Department of Employment and Immigration have been reduced by some $177 million.

Can the minister explain why the government has withdrawn over $100 million of the funds allocated to job creation and to training when the number of public servants within his department has increased by over 1,500?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I could provide details on the 1,546 person-years that were absorbed by my department, but the reason is that we wanted to have additional resources to serve Canadians who need the unemployment insurance program. We have also added 367 person-years, again to help the unemployed workers who need advice in the manpower centres. The party that the hon. member represents complained a few weeks ago in the House that people were not getting service because of a shortage of staff. Now we have the staff.

[*English*]

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, I have a supplementary question for the President of the Treasury Board.

The Auditor General in his last annual report said that the deficit for the fiscal year ended March 31, 1991, was understated by nearly $2 billion.

Can the President of the Treasury Board assure the House that there will be no more cooking of the books and that approved accounting standards will be respected when the government reports to Parliament and to the Canadian people?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to remind the hon. member that over a period of 15 years, I do not recall the auditor having given clearance to government except maybe last year.

There is an honest disagreement between the auditor and the comptroller. They both agree that the amounts are right. Where to put them in the books is where the disagreement is and I am not one to decide between them. I will let the auditor and the comptroller sort out their problem themselves.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is to the Prime Minister and it concerns today's estimates. Today's estimates officially end the Prime Minister's drug awareness program. Given that it was the Prime Minister himself who on September 14, 1986 called Canada's drug problem "an epidemic", when precisely was the epidemic cured and by whom?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I agree with the member that the drug strategy has well served Canadians for the past five years. We have had wonderful results which we will communicate to Canadians. At the same time I am aware that this strategy will be over at the end of March. We are working within the Department of Finance to see what we can possibly do.

Mr. Don Boudria (Glengarry—Prescott—Russell): I do not think that answered the question.

[*Translation*]

I would like to direct my supplementary question to the Prime Minister. It is also on the estimates. Once again, today's estimates make no mention of the number of person-years in the Prime Minister's Office. Canadians would like to know why, and especially what does the government have to hide regarding the number of person-years in the Prime Minister's Office?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, if the hon. member takes the trouble to look at appendix II, he will find the number of person-years clearly indicated there. Indeed a Liberal member pointed out to me this morning that the number was 119 higher and he found it amazing that it could be higher when the budget was the same. I suggested that he read some more.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Finance. In his budget speech earlier this week the minister talked about a substantial peace dividend for Canadians and said "defence spending will be cut".

Today the estimates show that rather than cut, the defence budget will increase next year. Can the minister explain why his budget speech tried to fool Canadians and will he make real defence cuts and use the money to get people back to work in this country?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): I think I have to explain to the hon. member how the estimates work. He will recall that we made projections for this year with a deficit number. This was based on a certain projection of growth in various departments. It is from that base that we are cutting the expenditure and not from some other base that the hon. member has in mind.

Mr. Steven W. Langdon (Essex—Windsor): In other words, a cut is not a cut in this case. It is an increase that is just a little bit slower. Such nonsense.

[*Translation*]

My supplementary question is for the minister. The case of the Meme breast implant clearly shows that we cannot count on companies to report a defective product. The estimates show a $36 million cut in the Health Protection Branch. How can the minister justify taking money from a branch or division which recent events have shown is so necessary for Canadians' health?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I will check the figure that the hon. member put forward. Again I believe that all the cuts or increases in the government's budget are explained in full in the supplementary budget. The hon. member has a perfect right to disagree. Everyone would want us to spend more on everything. Unfortunately it is not possible to do so. We must make adjustments within our available resources and that is what happened in this case.

• (1440)

[*English*]

UNEMPLOYMENT

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Minister of Finance.

On Tuesday of this week 70 employees were permanently laid off at the GE plastics manufacturing plant in Cobourg. Yesterday, Nestlé foods announced the permanent lay–off of 130 employees at its Stouffers plant in Trenton. They join a growing list of thousands more in Northumberland.

I would like to ask the minister what specific programs are in the minister's budget to provide for these unemployed workers.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think if my hon. friend looks at the budget she will see that there is a package of elements there from a reduction in the manufacturing income tax, the increase in the capital cost allowance, the change in the withholding tax which is very helpful to companies like Nestlé which want to continue to employ a number of workers in her riding, as well as the changes to the large corporations tax that were announced last week and the changes to the research and development tax credit.

All of these proposals together are designed to make companies more competitive so that they can compete against other countries for business and in that way maintain and increase employment in their companies. There is a very clear objective in the budget to do exactly what she is looking for, and that is to create jobs and maintain the competitiveness of Canadian companies.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I challenge the reply that states that these programs are creating jobs. They just are not.

Two more years of anticipated unemployment at current levels is totally unacceptable. A caring society turns with special attention sacrificing the well–being of the rich and powerful to assist the disadvantaged. Family violence and child poverty are increasing with unemployment at enormous human and social costs to this country. The budget is seriously deficient.

What emergency measures will the government initiate to meet the needs of our own country's poor children and destitute families?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend again is ignoring some of the very key elements of the budget. She says that provisions that have been in place for two days simply are not working. I think that is a very unfair and totally unrealistic comment to make.

The proposals that my colleague from health and welfare and the Minister of Finance put together in this budget are specifically designed to deal with the problems of family violence. The proposals, as I said in my previous answer on corporate taxes, are designed to improve the capacity of those companies to increase jobs. All of these things together will provide a budget which is a very sound balance of both economic policy and social policy.

* * *

NATIONAL DEFENCE

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Minister of National Defence.

The budget had a direct impact on my riding with the closure of the supply depot putting over 200 people out of work. Three successive Ministers of National Defence have committed this government to build a new supply depot, not close one. As recently as last October a letter to me from the minister confirmed that the project was on course. Why has the government broken its promise?

[*Translation*]

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, the Department of National Defence has cut its budget forecast by nearly $6 billion over the past four years. The strength of the Canadian Forces was cut by 11 per cent, thus proportionally reducing the need for supply depots.

[*English*]

Mr. George S. Rideout (Moncton): It is nice to see that the minister talks about cutbacks, but they can build a museum of humour. This is no joke, Mr. Speaker.

The employees were told by this government not to worry, that a new supply depot would be built and they would have work. How does the minister explain to Allan Meredith, Bernard Bourque, Tina Agnew, their families and all the other workers at the Moncton depot who woke up yesterday morning and learned that they no longer had jobs that it has broken its commitment to them?

[*Translation*]

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, it is obvious that given the reduction in personnel we had to streamline depots. Therefore there will be two major depots in Canada, the Edmonton depot and the Montreal depot. By cutting down the establishment we had to reconsider the decision regarding Moncton.

* * *

[*English*]

THE BUDGET

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology.

In the throne speech and in the so-called prosperity papers this government talked about the knowledge economy. It promised to double the number of scientists, engineers and mathematicians. It promised to cut the illiteracy rate by half, to quadruple worker training, to achieve a 90 per cent graduation rate from high schools, and to enhance science and technology.

My question to the Minister of Industry, Science and Technology is: Where in the budget is that prosperity agenda?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the prosperity agenda is very much in that budget. I mentioned in response to a previous question the various elements that are there to support the competitive position of Canadian companies. That will help Canadian companies provide jobs and opportunities for the younger people going through the education system.

The proposals that my colleague, the Minister of National Health and Welfare, has put forward on family violence and other problems of children in poverty are also designed to address this problem. A very high percentage of the dropout rate is because of family violence and drug and alcohol abuse. This will help those people who suffer from those problems to stay in the education system, get the education that is important for

them, and be a prominent part of the work force when they graduate.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, there are 1.5 million Canadians who would call this government, in spite of what the minister says, heartless and cruel.

When we look at the cuts to the Canadian Jobs Strategy, the real dollar cuts in the Industrial Research Assistance Program and the granting councils, when we look at cuts in other knowledge based programs, was not the real reason the Science Council was killed that the Science Council was going to say, in addition to this government being cruel and heartless, that it was stupid? But the Canadian people are not.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think the Canadian people can see through the empty rhetoric in a question like that.

The Canadian people are looking for the substance that is in the budget of my colleague, the Minister of Finance. That addresses many of the questions which have been put forward in the community based program, the community based consultations on the prosperity initiative. People were looking for precisely the response that the Minister of Finance gave in this budget in order to create jobs and create a stronger economy for the present and the future.

* * *

COMMUNITY NEWSPAPERS

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, my question is for the Minister of Communications.

As of March 1, small community weekly newspapers will be subject to commercial postal rates. In 1991 the minister postponed scheduled postal increases until March 1, 1992.

Given the importance of these weeklies to their local communities, and indeed I have eight weeklies serving my riding, does the minister have plans to provide any kind of further relief to these publications?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, as my hon. friend mentions, last year we announced a one-year delay in the new increases in postal rates for community weeklies. During that time we have taken advantage of the opportunity presented to us to meet with the Canadian Community Newspaper Association to deal with issues related to rates and other problems that community newspapers are having in Canada.

I am pleased to be able to inform my hon. friend that the government today will be announcing a decrease of some 50 per cent for a one-year period for these rates for small community newspapers.

In addition to that, weeklies excluded from Canada Post rate code 2 by virtue of their being located within regional municipalities will also become eligible for these concessionary postal rates. Some 430 small community newspapers across Canada will benefit from this.

* * *

THE BUDGET

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Finance.

Close to one million Canadian families work hard to make ends meet on incomes between $30,000 and $50,000 each year. Like the poor, they are finding times very tough. Yet for these working couples the minister can only offer $4 a month more under the proposed child tax benefit.

How can the minister stand in this House and suggest that $4 a month will in any way help these families provide their children with proper food, clothing and medicine?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I appreciate the hon. member's question and I clearly understand the difficulties that families are facing.

A combination of the reduction in the surtax in this budget and the improvements in the child benefit package that my colleague the Minister of National Health and Welfare has announced means a family with two children earning $50,000 and a single earner will save $280 a year. A two-earner family earning $50,000 will save $240 a year. A single parent with two children earning $50,000 will save $394 a year.

• (1450)

I realize that may not sound like a large sum of money, but it is an important sum of money that will help parents clothe their children and maintain a household. At least it is going in the right direction. As the economy improves and as we can get better fiscal order in the management of the government's affairs, we will be able to do better.

What we have today is a very difficult challenge of balancing the needs of families and the needs of Canadians with the fiscal reality we must face. We are trying to do our best.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the same minister.

In columns 4 and 5 of table 4.3 on page 137 of *The Budget Papers* it is clearly stated that for a family earning $50,000 a year with two children the difference between the new and the old programs is simply $44 a year or less than $4 per month.

In the budget the government has asked 600,000 Canadian women to give up their family allowances in order to "help children who are suffering in Canada for no good reason at all". There are now over 2.5 million Canadians dependent on social assistance who will not be covered by the child tax benefit. If the system is not designed to help the poorest of the poor, how can the minister defend the end to universal family allowances?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, based on the question the member raises I would like to correct what I consider to be two mistakes.

The first is that the poor people on social assistance will continue to get family allowance. It is there, $1,020 a child, and it will remain.

Second, the federal money we provide to the provinces through the CAP is $6.5 billion and it goes directly to those on social assistance. For example, they have transportation, prescriptions, and sometimes even housekeeping benefits, money which is not available to low income workers. That is exactly the reason we have put the emphasis on that category of people. Basically women with $15,000 a year receive fewer direct benefits than those who are on social assistance.

PRINTING INDUSTRY

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Minister for International Trade.

The Canadian printing industry which employs some 78,000 people is being systematically undermined by the United States customs service's arbitrary use of country of origin rules to protect American printers and to impede Canadian exports to the United States.

As in the Honda and in the softwood lumber instances, this is another example of the Americans exploiting the free trade agreement to serve their own protectionist ends.

I ask the minister: What is the government doing to prevent these abuses of the free trade agreement and to ensure the survival of the Canadian printing industry?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, this might have been a question more appropriately put to my colleague, the Minister of National Revenue. Since my colleague raised it with me yesterday I am pleased to respond to it.

The Minister of National Revenue has written to the Canadian Printing Industry Association reviewing the administration of this particular matter and also discussing with it a basis for implementing this policy in a way that would provide a level playing field between companies in the United States and Canada.

My hon. friend should know that one of the objectives we have in the North American free trade negotiations is to deal with this particular problem. We tried to deal with it in the U.S.-Canada negotiations. We were not successful at that time but it remains an objective in the upcoming negotiations.

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the same minister.

We should not be writing to the Canadian industry. We should be taking it up with the Americans. This government is doing absolutely nothing about this trade harassment which costs the Canadian printing industry some 1,700 jobs and on average $160 million a year in lost opportunities.

While American printing products flow across our borders free of any impediments, why does the Canadian government continue to shamelessly accept harassment of Canadian goods entering the American market? When will it begin to Canadian defend the interests of Canadian and the thousands of jobs in our Canadian printing industry?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the rhetoric does not help the situation. My hon. friend should know that we have taken steps on an ongoing basis to help particular companies in Canada deal with the problems of getting into the United States.

There is a recent case involving the Eddy Match Company where Canadian officials went to bat for the company and got a very fast decision on this particular problem. The result was that the company's shipment was promptly released and sent to its destination in Canada.

We are working on it at the negotiating table as well as at the border.

* * *

[*Translation*]

THE CONSTITUTION

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is for the Prime Minister. The Minister responsible for Constitutional Affairs has just said that he has felt an overall momentum in this country toward the renewal of the Constitution which leads us to believe that the Beaudoin-Dobbie report to be tabled tomorrow would recommend that special powers be delegated to Quebec. But we already have the real answer. We heard it today: 92 per cent of English Canada has said no to a special status for Quebec. I would like to ask the Prime Minister if the results of this survey would match those hidden away in the Privy Council safes?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I hope that the hon. member has better sources to quote his short term and long term fans than a headline.

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, never mind the closed door conferences with pre-written scripts. Never mind the rhetoric and the smoke screens. What is important is what the real Canada thinks. How can the minister deny that this real Canada, outside Quebec, has rejected by a 92 per cent majority the idea of a special status for Quebec?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I for one have just taken an active part in a tour of the Saguenay home of the hon. member as well as in five national conferences. I know that the questions asked by the Gallup Institute can sometimes have shortcomings, but I also know that among the people who attended these five national conferences there was an open-mindedness about the future of Canada like never before. I sure hope that all the members of this House are prepared to encourage the people of Quebec to see Canada for what it is today, because what Canada is today is a country prepared to have a wide vision, a vision encompassing Quebec, as it is, within a modern Canada.

* * *

[*English*]

NATIONAL REVENUE

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, my question is for the Minister of National Revenue.

The deductibility of legitimate business expenses from taxes is a practice woven into the very fabric of Canadian society. I was shocked to learn, however, that some people including NDP members opposite actually believe escort services are legally tax deductible.

Can this be, Mr. Speaker? With all due respect to the world's oldest profession, have the escorts and their clients actually got off the hook? I ask the minister to clarify this and end the hysteria.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I obviously do not have the experience in this matter of the hon. member and members of the NDP. I know New Democrats are experts in this field.

Some hon. members: Oh, oh.

Mr. Jelinek: I am happy to have the opportunity, if we are referring to escort services as the New Democrats and the hon. member have just done, to say it is of a personal nature.

• (1500)

These escort services are non-deductible to businesses and to anybody else. I have taken it a step further. I have instructed my officials to review existing directives and interpretation bulletins to make them clear enough for even the New Democrats to understand.

* * *

COURT CHALLENGES PROGRAM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, hidden in the speech of the President of the Treasury Board is the termination of the Court Challenges Program which funds equality rights test cases under the charter. This is one more blow to Canadians seeking equality and justice.

My question is for the Minister of Multiculturalism and Citizenship. Will he tell Canadians whether the Court Challenges Program is no longer worth while or important in continuing clarification of the charter? Why is there this attack on human rights? Has he changed his mind since he supported funding last May?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, this was an effective program that was available and provide financial assistance for the preparation and defence of test cases involving equality and language rights under the Canadian Constitution.

The program has been with us for some time, parts of it since 1978 and other parts since 1985. There is now a solid base of jurisprudence for future years and the remaining finer points are now those of provincial jurisdiction. I guess that is why we acted as we did.

* * *

SMALL BUSINESS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Finance and it refers to the budget papers where they refer to the Small Business Financing Program for businesses that are experiencing financial difficulty. It looks like a good program but I do not really understand it.

I wonder if the minister could explain, in terms that I might understand, what the program is, how the low interest loans are permitted, what businesses qualify, and when more information will be available.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I thank the hon. member for that question.

May I take this opportunity to congratulate him for his efforts in keeping Aerovox open as a result of his own personal initiative.

The provision to which the hon. member referred is available to both incorporated and unincorporated businesses. The rules that will be applied will be the same rules as those applied under the Small Business Development Bond program which was in existence a few years ago.

The effect will be that it will treat interest payments paid to the lender as dividends and the lender can thereby qualify for a dividend tax credit. This will mean substantial reductions in interest rates to the person who is making the loan.

I agree with the hon. member. It is a good program and it will be available in the very near future.

* * *

[*Translation*]

CO-OPERATIVE HOUSING

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Minister of Finance.

In his first budget on Tuesday evening the Minister of Finance cancelled the co-operative housing programs. In so doing the minister just cancelled 500 units that were to have been built this year.

What kind of housing will the Minister of Finance suggest for the 10,000 families in Montreal alone that are on the waiting list?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, under the provisions of the Social Housing Program, the federal government will be spending $2 billion a year or $10 billion over the next five years. That is a lot of money.

In terms of the social housing component, it will be increasing at the rate of 3 per cent per year which is greater than the rate of inflation.

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise on a question of privilege. I am totally outraged and offended that the Minister of National Revenue in this House of Commons would imply that those of us in the New Democratic caucus either use the services of an escort service or are somehow employed by—

Mr. Speaker: The hon. member rises on a matter that was the subject of an exchange two minutes ago. It may well be that the consequences of the exchange have created some consternation or some annoyance but it is not a question of privilege.

* * *

POINT OF ORDER

COMMENT DURING QUESTION PERIOD

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, during Question Period today the hon. member for Winnipeg North Centre in his supplementary suggested that I was providing inaccurate information to the House on a question that was posed. I would simply ask him to refer to table 4.4 on page 138 and he will see that the answer corresponds to that table.

Mr. Speaker: The hon. member may very well consult those pages. I would ask hon. members on both sides to do the best they can to restrain from carrying on debate by way of notices of privilege or order after the Question Period has ended. I would hear the usual Thursday afternoon question.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is to the government House leader. Perhaps he could indicate to the House the business for tomorrow and for Monday and Tuesday of the week we return after the March break.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Yes, Mr. Speaker. Today the House will complete the second day of debate on the budget. On Friday, February 28, it is the government's intention to call Bill C–61, the borrowing authority bill for second reading.

On Monday, March 9, after being adjourned for a week—it sounds like a holiday but I am going to work in Calgary—we will complete second reading of Bill C–61. My intention now is to call the third and fourth days of the budget debate on Tuesday and Wednesday, March 10 and 11 respectively. I will engage in discussions with the members of the opposition in respect of other business for the remainder of that week.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Mazankowski that this House approves in general the budgetary policy of the government; and on the amendment of Mr. Gray (Windsor West) (p. 7631); and the amendment to the amendment of Mr. Langdon (p.7633).

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in participating in the debate on the budget I shall leave it to a number of my colleagues who have already and will no doubt draw attention to the deplorable record in this budget of support for stimulus that would bring immediate employment and benefit to the Canadian people. Quite obviously the government has not chosen to respond to the widespread desire on the part of Canadians to see measures to bring about that necessary stimulus.

In fact, the real message in the minister's recent budget speech, as distinct from the rhetoric in which it was dressed, is that Canada's current recession is simply part of a normal cyclical downturn, one which mirrors, he says, a world–wide economic slump. As a corollary of that belief, he offers the reassurance that the economy will soon rebound on the strength of renewed consumer spending and an export led growth principally to a resurgent U.S. market.

We have heard that forecast for several years now. This all too predictable analysis of Canada's current economic malaise ignores two fundamental points. First, the Canadian economy went into recession a full year earlier than that of its major trading partners, principally the United States, and its effects will prove far deeper.

• (1510)

The second fundamental point is that it is far from clear that the world economy as a whole—beyond Canada, the United States and Britain—is in recession as this government would have us believe.

Continental Europe, Japan and especially the newly industrializing countries of southeast Asia continue to post healthy and in some cases quite remarkable growth rates at the very time that we in Canada are mired in recession.

Moreover, to the extent that the rest of the world will experience growth and an economic slowdown in coming months, it will likely be the result of the deterioration of the North American economy over the past year. It is still a formidable power able to drag the world economy down with it.

This real picture of where Canada stands raises a central question. Is Canada experiencing a typical cyclical downturn from which we can expect to rebound shortly with renewed vigour or are Canada's economic problems more deep-rooted? Are we experiencing a crisis of productivity, not simply a recession, which reflects the decline in our relative economic position world-wide? If the latter is the case, if we are experiencing a decline in our relative economic position world-wide then there is a danger in using the language of recession too freely. It masks the underlying fact that Canada's productivity growth, the real measure of our international competitiveness, has been at a standstill for almost a decade, since long before we entered the current period of recession.

Talk about recession distorts the real problem which is that North America, especially Canada, is systematically losing its ability to sell its goods and services on world markets.

Much of the blame for this state of affairs can be laid at the feet of governments over the last decade. Mammoth public and private sector borrowing during the 1980s both at home and abroad fuelled a decade of over-consumption. This in turn has numerous implications for Canada today.

First, this policy of ongoing borrowing has tended to crowd out necessary investments in Canada in industrial capital, research and development, infrastructure and human resource development. Such investments are critical to Canada's ability to compete in Europe, Japan and throughout Asia.

Competitors who long ago recognized that the quality of investments, and by extension the ability to innovate and upgrade continuously, are the new touchstones of success in a post-industrialized global economy.

Our poor record in Canada on research and development, our decaying roads, airports and railways, and our growing education deficit are symptomatic not so much of domestic constraints, as this government would have us believe, but of a fundamental misallocation of our national resources over the last decade.

Second, a decade of Keynesianism run amok has accumulated massive deficits not only at home but abroad, deficits which by definition must be paid back. They must be paid back at some point in the future either through greater Canadian exports, declining imports or a combination of both.

Most dangerous of all, these policies have created the illusion among Canadians that all was well, that our competitive position was secure.

As long as we had money to import an increasing range of products from abroad, which we did with such alacrity during the 1980s, and as long as our living standards continued to rise we were satisfied that North America's economic position was as unassailable as ever.

What was overlooked was that this consumption was being financed largely by borrowing, not by exports. Indeed, to a large extent, this recession we have all encountered today reflects the fact that neither governments nor the average Canadian can continue to borrow at levels reached during the 1980s. We have only to examine our more than $400 billion federal debt, our growing foreign indebtedness, and our inflated bond rates to recognize that our credit is all but used up. The party is over.

This budget talks tough but it does very little. The fundamental assumption underlying this budget is that the Canadian economy will automatically correct itself. It assumes the consumers will return to spending and that Canadian exports will suddenly be in demand again on world markets. It assumes that the national debt will be paid down through a combination of high growth and low interest rates.

This would be news to most Canadians. Many are caught up in the same general credit crunch as the government. Many others are losing their jobs precisely because their companies and their products are no longer competitive in world markets. Most Canadians are concerned about their economic security and their future. They are decidedly less concerned with "reflating" the economy by opening their already beleaguered pocket-books.

Nor is it clear that we can expect miracles from export-led growth. The Americans are suffering from much the same problems as Canada while our exports overseas, where we face real trade imbalances, are steadily losing ground. Meanwhile our trading partners overseas do not seem to be any more disposed to buy our exports than they were a year or two ago.

It is even less clear that the government can continue to lower interest rates indefinitely when it is becoming increasingly difficult to attract foreign lenders in a world hungry for investment capital.

Even the government's claim that low inflation will hone Canada's competitive advantage rings false when we recognize that the statistics reflect not so much a fundamental restructuring of industry and labour as a profound withering away of our industrial base and growing unemployment. This hollowing out of our industrial base has been accelerated by the excessive reliance this government has placed on high interest rates, and consequently a high Canadian dollar, as the sole method of combating inflation.

There can be no magic, no easy return to high growth because, in a very real sense, our growth crisis existed long before this so-called recession. The fundamental economic problems which have led us into this quagmire—the national debt, declining productivity and our deteriorating competitive position world-wide—have not gone away despite the very real pain now being experienced by Canadians and the optimistic forecasts of this government's seventh budget.

Staying the course is simply not good enough. The real issue is how the Government of Canada can help Canadians to be more competitive in the world marketplace.

• (1520)

Only by building a more competitive industrial base can Canadians have the means and the confidence to restart our domestic engine. Only producing goods and services which the world wants will maintain our living standards and correct our growing trade imbalances.

In the end, this means foregoing consumption for investment in industrial capacity, infrastructure, training and so forth. The question is not so much what policies should be enacted but who has the political will to enact them.

It is now unfortunately all too clear that this government does not have that political will. All that we have in this budget are a few modest proposals. There are small adjustments to the taxes for manufacturing and processing. There is a small increase in capital cost allowances. There is a slight modification to small business loans.

These are not answers to the pressing competitive challenges which face Canada, challenges that will only increase in the immediate future. The government's answer is not in this budget. The answer is certainly not in the year-long consultations on international competitiveness which it launched a few months ago.

For reasons that pass all understanding the government has launched a task force to travel across the country asking questions to which all Canadians already know the answers. Canadians know already that our education system is in serious need of an overhaul if we are to compete effectively, if we are to achieve those standards of affluence to finance the social programs essential to Canadian well-being.

What is there in this budget to encourage Canadians to think that their government recognizes the need for a greatly strengthened government initiative in the fields of education, training, and retraining? What is there in this budget to encourage Canadians to think that the government has finally recognized the profound impact the continuing high levels of functional illiteracy have on our productivity? What is there in this budget to demonstrate that this government is prepared to lead the way in ensuring that Canadians receive the education, the life-long retraining that is essential for Canadians to prosper in a global economy? What is there in this budget to assure Canadians that their government recog-

nizes the vital role research and development plays in making Canadians competitive in a global economy?

I touched for a moment on the small measure that the government has offered. That is not a response. There is an essential need for Canadians, business and labour, to recognize the role of research and development.

What is there in this budget to ensure better understanding between business and labour by offering tax incentives so that business can share the ownership of the productive capacity of our country with employees? What is there to ensure that we channel our savings into productive investment in this country?

There is nothing in this budget to encourage the provinces to lower, reduce, or eliminate those internal barriers which trammel our effective competition abroad. This budget fails to take a long-term view or a short-term view of what has to be done to make Canada competitive. On those grounds, this budget fails.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I have a question for the member for Etobicoke North for whom I have a great deal of respect. I compliment him in part for his very reasoned critique of the budget.

I gather from what he has said there is more show than substance. He answered part of that in the rhetorical questions he said the budget did not cover.

But he did not seem to mention a word—and I am very interested in view of his experience in government and also in the financial community and the affairs of this country—in terms of broadening and maintaining or expanding our competitive advantage.

I totally agree with him in terms of this international task force on international competitiveness, which is a glorious waste of time and money. What part does he think the Economic Council of Canada plays in this? Is that what he would normally think is a healthy step to help build on our competitive advantage, or has the Economic Council of Canada outlived its usefulness?

Mr. MacLaren: Mr. Speaker, I am always happy to engage in however brief a discussion with my colleague from Annapolis Valley—Hants, for whom I have real respect.

He of course touches on a central issue and that is the ability of the government as a whole, including of course the Economic Council and the Science Council, to identify and address those issues which can render Canada competitive in the world marketplace.

My own view, and I suspect he would share this, is that the government should not proceed to the abolition of the Economic Council of Canada and of the Science Council. It should enhance their ability to perform the functions originally envisaged for them.

Now, it may be that there would be an advantage in rolling together those two institutions. After all, science policy and economic policy, and indeed to a degree social policy, have become virtually indistinguishable.

If Canada is to be competitive, as he and I would both seek, in the global economy then it would seem to me to be incumbent upon the government to address the future role of those two councils in an imaginative and constructive way; not to abolish them, but rather to consider whether by relocating them, by restructuring them, or indeed merging them, they could play that arms-length role of advice to the government which could indeed benefit all Canadians.

Mr. Maurice Foster (Algoma): Mr. Speaker, I listened with great interest to the member for Etobicoke North who, of course, is very concerned with the Canadian economy.

It seemed to me as I listened to the speech that the Minister of Finance was trying to sprinkle a little bit of benefit over the entire Canadian economy so that he would gather some headlines for the next day or that the government was actually doing something about the economy. Perhaps that is his objective and perhaps to some extent he has succeeded.

But the concern of many people is that we are facing practically an implosion of our manufacturing and processing industry in this country. A light sprinkling of reducing corporate taxes by one per cent or the surtax by one per cent is really meaningless.

I do not think anything has drawn this more to my attention than the food-processing industry. The food-processing industry is in a free fall in this country because of the free trade deal with the United States. In fact, some 18,000 jobs have been lost. Some 70 processing plants across the country have closed.

The government did a good thing a couple of years ago. They set up an agrifood competitive council which has been looking at the problems of that industry because it has been falling apart.

It is interesting that about two weeks before the budget came out it recommended that in order to try and give that industry a jolt, to try to stop industries and plants from moving to the United States and moving to Europe and moving to Mexico, and so on, that the capital cost allowance should be doubled for new productive plant operations incremental to what we have.

• (1530)

It was recommended that it be doubled from 25 per cent to 50 per cent, a straight line write-off year after year. When the budget came down it was increased by 5 per cent. Therefore, instead of having a 50 per cent capital cost write-off year after year after year, it was increased by 5 per cent which like so many things will have zero impact.

I do not think anything could demonstrate the problems of the budget and the problems with our country than this particular recommendation of an independent body appointed by the government.

I would like to ask the hon. member if he sees this kind of dribbling of small improvements as totally ineffective in resolving the implosion we are facing in the manufacturing and processing industries in this country.

Mr. MacLaren: The hon. member is right. We have seen a few measures in the budget. They are measures in their modest way moving in the right direction but they are essentially tinkering. They do not address the fundamental question which faces Canadian industry today and that is its ability to adjust to a global economy.

What we have in place of that necessary adjustment assistance is a little bit of tax adjustment here or a little tax expenditure there that does not address the need to render Canadian industry competitive.

The hon. member will know that in the case of the free trade agreement with the United States, for example, the government chose to follow one-half of the recommendations of the Macdonald commission.

That commission recommended that Canada negotiate free trade with the United States. The other half of the Macdonald commission, which the government somehow overlooked, was that in parallel it would be incumbent upon the Government of Canada to put in place those policies to render Canadians competitive.

Somehow a collective amnesia overtook the government at that stage. It forgot. It did not see that part of the Macdonald commission's recommendations.

One can have various opinions about the efficacy of the free trade agreement but I do not think that anyone could possibly argue that the primary failure of the free trade agreement is the primary failure of the Canadian government to put in place the programs which would have enabled Canadian labour and Canadian business to compete effectively in the U.S. market.

I would suggest that beyond the Canada-U.S. Free Trade Agreement remain those same questions that confront Canadians, that challenge Canadian industry.

The government having moved toward freer trade has abdicated its other responsibility. It said: "We will lower barriers or eliminate barriers, but we will not offer the Canadian people the leadership in rendering themselves competitive".

What has this government done to improve the educational system, to improve the system of training and retraining? What has this government done to encourage substantial research and development in Canada? What has this government done to break down internal barriers in Canada which can render this country more effective, more competitive internationally?

The specific instance that the hon. member cites in the case of food processing is a classic example. Down came the barriers. "Sorry, we have no assistance for you making yourselves more competitive in the food processing industry. We will not provide you with any leadership. We will not provide you with any tax incentives. We will not provide you with any training or retraining. We will not provide the leadership which could make a reality of international competitiveness for Canada. What we have done", says the government, "is penalize Canadian

workers and Canadian business by not matching our commitment to freer markets with effective adjustment assistance".

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, to the member opposite, I am glad to see him acknowledging that the government is moving in the right direction although he chides the government that it has not done enough.

However, in making his assumptions about what the government is doing or not doing in the amount of room that it has to manoeuvre, it is interesting to note that an article in this morning's *Gazette* entitled: "Economists Disagree Over Ottawa's Budget Forecast" states: "In contrast the C.D. Howe Institute said the budget is framed in a credible, economic forecast which leaves more room for pleasant than unpleasant surprises". Toward the end of the article it also talks about a survey of 20 analysts last week by MMS International that found that most are more optimistic than the Minister of Finance.

I want to ask the hon. member opposite: Would he not rather the government move in the right direction and not move too far so as to upset the apple cart, but to keep the things if we have a fragile recovery which is going on—

The Acting Speaker (Mr. Paproski): I regret but the time has expired for questions and comments. You will have to ask him behind the curtain.

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, I want to thank you for giving me an opportunity to contribute a few words to this debate.

I want to congratulate my colleague and good friend, the Minister of Finance, for an excellent budget. He promised a realistic budget and he delivered on that.

For our colleagues who have served as long as you and I have in this House this budget is no doubt a bit of a novelty in the sense that it has a tax cut. I would be hard pressed really to remember when there ever was a tax cut in any of the budgets that various Ministers of Finance have laid before the House which is always a big occasion here.

This budget is not just important for what it contains. It is more important for the message that it attempts and perhaps successfully conveys, the message to investors, the message to business, and the message to consumers.

The message is that the government intends to stay the course. It is going to continue to restrain government spending. It is going to continue to cut and reallocate expenditures. The budget also demonstrates that the government has listened not only to the voices that we hear every day, the shrill voices, but also the voices of ordinary Canadians.

I just dug into my own mailbag. I know all of us have our own files for people who make comments on certain aspects of our work. I will just remind you of a few things here.

I had an ongoing dialogue with Mr. Taylor, an accountant, all the way from Tumbler Ridge in my riding and Don Thompson from Fort Nelson. He constantly points out to me some of the inequities in our family law and how married couples, in particular, are treated with respect to income tax. There is obviously some satisfaction in that the budget has responded to that.

Ms. Birchall from Dawson Creek, B.C. writes to me and complains about public service wages and points out, as does Mr. Fuhr from Fort St. John, that perhaps members of Parliament and ministers should take a lead here. So there is some comfort in the budget.

Perhaps the only bad point in the budget is that my salary has been decreased by 5 per cent, but what a small sacrifice to make in an effort to restore the kind of confidence that is necessary among the public if we are to succeed.

Mr. Haagsman of Hudson's Hope, British Columbia places a high priority on the need for government to control spending. Mr. Don Clapper of Prince George talks about the high interest rates. It goes on and on and on. All of us have these files. It is important to send a signal, to tell people that they have helped to write the budget and the government has listened.

• (1540)

There are some very important themes in the budget: reducing the burden of borrowing, reducing the burden of taxation and regulations. Admittedly it is not, as we all know, the easy course. The easy course would have been to follow the advice that we are getting, particularly from our friends opposite. Anyone who has ever managed a business or anyone who has ever managed a department would know how difficult it is to reduce spending, to reduce staff, to forgo some opportunities out there that would make one look good from time to time.

From all indications the message has been received. The reaction from those to whom the message was directed is very positive at least in the early stage. The dollar has increased. The market shows positive signs. Frankly what this budget shows are the beneficial results of the tough measures and stern policies we have consistently followed since we came here in 1984. The confidence that we have earned, staying firm against all odds and political sensitivities, particularly during these recessionary times, will bode well in carrying through our mandate.

One of the criteria of assessing a budget has to be the quality and the accuracy of the assumptions that a finance minister makes in his forecasting. For the benefit of our friends opposite who are criticizing this budget and our approach, let me quote a few figures. I will go back to the 1991 budget. The Minister of Finance had to make certain assumptions. He said that in 1991–1992 the rate of inflation would be 5.6 per cent and in 1992–1993 it would be 3.2 per cent. Our memory is good enough to remember the opposition's critique of this particular forecast, that never would we be able to achieve that in such a short period of time. We all know what the inflation rate is today. It is less than 2 per cent. We exceeded our expectations in this area.

Let us look at interest rates: 9.5 per cent for 1991–92; 9 per cent, 1992–93; 7.5 per cent, 1993–94. All of us know that we are a year ahead of our forecasts. We have done very well. The rate of unemployment was estimated at 10 per cent in 1991–92 and 9.98 per cent in 1992–93. Admittedly we are out; we have erred by 1 per cent or 1.5 per cent and the unemployment rate, as we would all agree, is unacceptably high.

The forecast on the deficit is particularly telling because it is right on.

I want to make some comparisons with a similar budget at a similar time in an economic cycle 10 years ago, the so-called MacEachen budget of 1981—82. The deficit in 1980 was $12.1 billion. The Liberals were fighting deficit spending. They had been increasing, as we know, their operational spending by 15 per cent a year on an average over the preceding 10 years. The deficit was the big problem. The forecast in that November 1981 budget was that they were going to get the deficit down to $10 billion; there would be a $2 billion reduction in the deficit.

When all was said and done, he had to bring in another budget in June at which time it had grown to 19.5 per cent, just 100 per cent out. When it was actually finished, at the end of the fiscal year the deficit was $24.6 billion or a 139 per cent mistake.

These are the kinds of comparisons we have to make to put into context what we are doing.

Let us look at interest rates, Liberal interest rates at their highest. The chartered bank prime rate was 22.75 per cent. They are 8 per cent today. These are some of the figures one would have to put on the table when one compared the approach used by our predecessors to confront some very difficult situations such as the one we find ourselves in at the present time.

It is important to point out these things because opposition members are urging upon us the same policies, the same kind of advice that they were following at that time. We all know from the 1981 to 1983 experience what the consequences of following such advice would be. You cannot spend yourself rich; you cannot drink yourself sober. There is no limit to their idea of how gullible the public is in actually giving it any credibility when they make these suggestions. We know what the programs were that they foisted on the Canadian public at the time.

The Acting Speaker (Mr. Paproski): I gave the minister the wrong signal. He has until 3.55 p.m. as far as his time is concerned. I do not want him to go any faster than he has to.

Mr. Oberle: The advice we are getting is to borrow money to stimulate the economy. They say that we should throw money at everything, whether it is education, research, or whatever it is. To throw money at it is their solution.

They also say that we should keep out foreign competition. In a situation in which we found ourselves being more dependent on foreign trade than any industrialized country in the world, they should realize how preposterous some of these suggestions are.

I leave it to my colleagues to speak more about the details and the positive aspects of the budget. Let me just look at a few examples of the approach used by our predecessors at a time like this and what it produced.

In my previous incarnation I was Minister for Science. When I assumed the portfolio in 1985 I was faced with the so-called SRTCs, the scientific research tax credits. In 18 months they cost us $2.5 billion because everybody agreed that the country would have to engage in research and stimulate scientific activities to break out of a cycle and to become internationally competitive. What did it cost? All we had to do was offer people 120 per cent tax credits for any investment in scientific activities and, if it happened to require building a building or whatever. That was okay too. The country, scientists and people responded.

When it was all said and done 18 months later very little science and very little research had been produced. There was a lot of frivolous spending and trading off of tax credits. The cost to the Treasury was $2.5 billion.

Mr. Nowlan: That is why they won the election.

Mr. Oberle: Yes, that is why they won the election, as my friend from Nova Scotia says.

Then there were the fast-track buildings. I inherited one of those too. It happened to be in Winnipeg. It was painted pink. It acquired the name of pink elephant in Winnipeg. It was a beautiful, world-class centre and the architects should have received a world-class prize. There was a stainless steel spiral staircase in the building, the cost of which would have produced for sure two cures for cancer if it had been spent on science. There was an elevator right beside it, but the spiral staircase was the attraction of the building, which was sitting right in downtown Winnipeg.

But there was no science conducted there. It was just a building. It was my job to coerce and coax some private sector people to get in there and make some use of it. Frankly today, with a bit of effort, we actually do make some use of it.

• (1550)

Then there were the MURBs. Do we all remember the MURBs. I know a doctor of 55 to 60 years of age who was in the declining years of his career. He invested all his savings in Liberal government MURBs. He is still paying off the bill. He is literally living on his measly old age pension, having wasted his lifetime savings. All of us know people who were sucked in by the MURBs. They were to stimulate housing, get the housing industry going, create jobs and make us competitive.

Then there was the accelerated home mortgage program which was going to help all poor people get into homes. Members know how that worked. The payments would be very low; people could get into a new house with $300 a month. Of course the difference between the $300 and $700 that the payment should have actually been was added on to the mortgage.

After five years you could walk down the street and people were throwing keys at you. People were running away from their homes in droves because they cost $10,000 more than they could have built new houses for five to ten years later. That was the accelerated home mortgage program.

These are some of the policies that these people are urging upon us now.

They want to fix the municipal infrastructure. We have all heard about that. I want to tell the tale of two cities in Canada. The only criterion of the optimum size of each of these cities is one wants to be bigger than the other. The names of the cities are Montreal and Toronto.

I represent Prince George and Chetwynd. I talk to people who represent cities like Chicoutimi and smaller ones throughout the country.

The other criterion was that one had to have a bigger Olympic stadium than the other city and the taxpayers of Canada helped out a bit here and there. Now these cities want my people in Prince George, Chetwynd, Hudson's Hope and Pouce Coupe to pay for their water and sewer. Having paid for their own already, the people of Chicoutimi and so on are saying: "No. If the people of Montreal have problems with their water and sewage they should

do the same thing we did, build their own secondary treatment centres".

The Liberals and the municipalities are saying: "Let the federal government pay for it and everyone else can participate". People are not that enthusiastic about these kinds of things. This is something that the provinces and the municipalities ought to worry about a bit more.

We have and we will continue to work from the premise that without a strong economy and without a fiscally stable national account the government can really deliver nothing but a fool's paradise. There is no school of architecture for a castle in the sky.

The reality is and has been for some time, the reality that we inherited when we came here in 1984, that our economy has been operating on a sort of post-Christmas blues. It is time for us now to trade in the gifts that do not fit and pay the bills for those that do.

Canadians know what is important to them. Canadians know what they want. They want price stability once again. Yes, we do want to get back to the good old days. Mr. Speaker, you and I remember those days when we built our first homes. We could take out a mortgage for 6.5 per cent—mine was 6.75 per cent—for 25 years. We knew it would be 6.75 per cent. We knew what our payments would be for 25 years. I was lucky enough to be able to pay it off a little earlier. We could plan our family budgets around that.

That is really what is meant by price stability: to get back to a rate of inflation that is never more and perhaps a bit less than the growth in the economy, never more than what the country can afford in terms of the increase in the money supply so that we have stable, fixed interest rates. That is what price stability means. That is what we are trying to get back to. That is what people want. They want predictability, they want security, and you do not get that with 22 per cent mortgage rates. Ten years ago a $75,000 mortgage cost $300 a month more than it does today. Are there any benefits to homeowners, to poor people with children? Of course there are and frankly the people know it.

Let us just consider for a moment what we have deprived ourselves of by not following the kind of policies that our friend, our previous finance minister, and our present finance minister have charted for us. It costs us $40 billion a year to service the debt. Could you imagine what we could do with $40 billion? For one thing we could get rid of the GST because it produces roughly $20 billion to $22 billion. We could get rid of the GST. That is the first thing we could do.

Then we could bring in a universal child care program perhaps. The cost of that is estimated at $6 billion to $7 billion. Look at all the money we would have left. We could even transfer some money to the provinces to help their cities renew their municipal infrastructure and to start rebuilding their city cores. Can you imagine what we could do? We could double old age pensions. We could help the deprived and those who live on the margins of life.

Our friend and colleague, the Minister of Finance, has brightened the light at the end of the tunnel quite a bit because he is taking us a giant step closer to the day when we will have a balanced budget just three years from now. For some of our colleagues and practitioners of the art of politics, it seems to be a major preoccupation to resist progress at any cost. Perhaps in their spare time they decry the fact that there is not any progress. The people of Canada know a good budget when they see it and they see a good budget here.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I listened throughout the hon. minister's speech and I must ask how one individual can interpret what was said in the House the day before yesterday and another one interpret it in such an opposite direction.

To me it was a *laissez faire* budget. I come from an area that is dependent on natural resources. The minister certainly represents one of those resources here in the House, forestry, a renewable resource, an industry that is certainly suffering to an extent that we have never seen here in Canada before. This *laissez faire* budget increases the Canadian dollar today because business seems to be happy, takes away housing measures that are needed not only to stimulate building but to help thousands of Canadians to have shelter whether they are seniors, whether they are poor or whether they are working Canadians who wanted to get into a co-op. All that is a stimulation to the forest industry if you have housing or rural and native programs that would help repair or build houses for people.

I cannot believe that the people who used to be able to get a few dollars in the winter time or a cord of wood that would be sold away would like to hear this minister say: "Keep the Canadian dollar going high, it certainly helps our exports". I cannot believe that this was such a good budget. I cannot believe that he did not read one letter from an unemployed person in his riding. I have to say

that I see people who are in the natural resource sector and who are unemployed and who have never been unemployed, people who are over 40 and have never been unemployed and who are over 50 and have never been unemployed. They are shocked at being unemployed in this great country. The Minister of Finance stands up here, good salesman that he is, as a former Minister of Transport who got the mess that we are in getting rid of VIA. Look at our air industry that does not know where it is going. Agriculture, follow us all the way to the GATT and we will protect you, not telling us what else we are going to get out of the GATT.

• (1600)

Follow us all the way, farmers, all the way to the GATT and we will protect you. We know the day after it is signed if there is no article XI where we will be.

This week we had a minister stand up here and I do not know if he mentioned unemployment once. I do not know if he mentioned the renewable resources that we have here in Canada and what the direction must be to get out of this made-in-Canada slump, this attitude of people toward this government that we are not moving. There is no vision for Canada except Bush or what the Americans tell us.

Will the Minister of Forestry tell me what he did to influence his cabinet colleagues to help the forestry industry to revive, to get people back to work, to give them some respect rather than staying home wondering where they are going to get a job in this country?

Mr. Oberle: Mr. Speaker, some of the advice I gave my colleagues is already paying handsome dividends in implementation. We have, perhaps my hon. friend does not know, experienced a heavy demand on our lumber products. The price for dimensioned lumber and spruce, pine, and fir shipments has increased by 30 per cent since the beginning of the year. Why do we not try and be a little positive. There are no more shutdowns. There are recalls in the mills.

My friend is right when she says that one of the pieces of advice we have been getting from the opposition and from people outside is that we should drive the dollar down, thus helping the research sector. Let me just give her an idea. If a low or a weak currency were a solution and a ticket to prosperity, why is it that all the countries with firm, stable, high currencies are the richest countries in the world: Germany, Japan, Switzerland. Why do they not lower their currency and get even more rich? Why are Mexico, Guatemala and countries that have a less stable currency not the rich countries? Is there some kind of a value or virtue in driving down your dollar and cheating the people you trade with in a short period of time by paying for their goods in a watered down currency?

Let me tell the story of the low dollar in the forest products industry. My friend would remember that in 1976 our dollar was actually above the U.S. dollar by 1 cent. Our dollar was worth $1.01 U.S. The return on investment and sales of the industry was 9.7 per cent that year with that high currency.

As well, I would remind my hon. friend of the "Diefenbuck" in 1963 when the dollar was down to 93 cents and they said it would be the doom of the Canadian economy because we had too low a dollar. I remind him of all these things. I take them ahead now when the great architects, the social engineers, were sitting in the treasury benches and had driven the dollar down to 73 cents; 73 cents was the worth of our dollar in 1985. The return on investments and sales of the industry, zero. The industry was broke. It did not help them a bit.

In 1989, the dollar was at 84 cents. The returns were up something like 12 or 13 per cent. Sure, the dollar is a determining factor of the industry's prosperity. The Swedes devalued their currency and pegged their krona a few years back. You ask them if they would ever do it again. Sure it gives you short term relief for three or four months, but do you know that for every dollar you sell you have to buy something back. When you buy it back, you pay in higher currency. It brings about inflation. It brings about higher interest rates. Do you see why you had 20 per cent interest rates and what the reason for that was? The reason was 12 and 13 per cent inflation and the low dollar. Do you understand that? Sure I could write a budget and an economic policy that would satisfy and work in the best interest of the forest industry. I could do that in the morning before breakfast and I could throw in all the other resource industries and write a budget before noon. But when you look at the total picture and the total economy and at the future of our children and grandchildren, then you have to sit down

and think. That is what we did when we wrote this budget.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the hon. member spoke of a realistic budget, but how can he call it realistic when he has not addressed the realities of today. I submit that this budget is more like a shell game where the movement of the hand is quicker than the movement of the eyes.

I ask how this government can face the 1.5 million unemployed Canadians and the 2 million people forced to take welfare assistance and at the same time admit that the unemployment rate will remain at nearly 10 per cent for the next two years.

What answer does the member and his government have, if any, to a couple in my constituency, both pensioners, forced to support their unemployed son and daughter-in-law and not even get a tax break? What answer does this government have for constituents who feel aggrieved that capital gains exemptions would be allowed on other assets but not on their only second real estate asset? How would this government ensure our youth and children will have a future through education and training programs?

In the middle of his speech he said he would like to speak on "A Tale of Two Cities in Canada". Perhaps he should have spoken on the tale of two terms of the federal Tory government in Canada. In the first term we saw an increase in taxes 33 times. It doubled the national debt. It imposed the GST. It choked the provinces. It allowed poverty to increase.

During the second term taxes continued to increase, cuts continued to be imposed on provinces, the recession happened.

The Acting Speaker (Mr. Paproski): I am sorry. The hon. member's time has expired. I am sorry I cannot get the minister to answer.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I will not say that I am happy to participate in the budget debate, but I am anxious to participate in the budget debate.

I have to say to the minister who has just spoken that I found his comments in one respect extremely offensive and, let me say, beneath a minister of the Crown. At one point during his debate, rather than relying upon substance, relying upon facts to deal with the municipal infrastructure program that has been proposed by members of this party, the Federation of Municipalities and by most of the provinces as a job creation measure, rather than relying upon a proper analysis of the program to show either its merit or lack of merit, what did the minister of the Crown say? He said: "Well, back in my riding my taxpayers are not going to want to support a municipal infrastructure program. Their tax dollar is going to help Montreal and Toronto. Therefore, they do not support this program".

I want all members present to think about what the minister said. The minister was practising the politics of division, a subtle form of tribalism. That is what he was doing. A federal minister of the Crown who should be speaking for all of Canada, all the time, tried to attack a job creation measure in the face of 1.5 million unemployed, not on the basis that the program did not make sense or was not worth while, but by trying to conjure up the image that the people who live in his riding—it is a great riding. I have been there. I have visited the minister's riding—might see some of their tax dollars going into Toronto or Montreal. To appeal to the tribal instinct, to be opposed for that reason and that reason only, is a shameful performance by a minister of the Crown.

In every region, every province of this country, there are major capital intensive projects that have benefited from the tax dollars of the rest of the country and they are not all in Montreal and Toronto. Some are in Atlantic Canada, some are on the prairies, some are in British Columbia. There is a major particle collider super-duper project now going ahead in British Columbia at the cost of hundreds of millions of taxpayers' dollars, not only from the taxpayers of British Columbia but from right across Canada. That is right and proper and is as it should be.

• (1610)

There are major federal facilities in the minister's own riding—I have been to his riding—that have been built with taxpayers' dollars from all across Canada. That is as it should be.

The notion of a municipal infrastructure program proposed by the leader of the Liberal Party, the Liberal Party, the Federation of Municipalities, and by almost all of the provinces is a major proposal to invest in the infrastructure of this nation and to put some of our people back to work. That is as it should be. It should be weighed on its merits and not attacked by the tribal politics of this minister who suggests that we do not want to have a project because it means that the money from taxpayers of one region might be spent for the benefit of taxpayers in another region.

We are a nation, or we are not. We believe in sharing the resources, sharing the wealth, sharing the opportunity, sharing the potential and sharing the problems of nationhood, or we do not. It is disappointing to see a minister of the Crown who ought to know better appeal to tribal instincts as a means of attacking a worth-while project.

Why is that project so important? It is important because it was not contained in the budget. This budget has to be measured against the reality of Canada today. The minister said he was going to bring in "a realistic budget". That is the standard he established. It would be a realistic budget. That is what he told us.

What is the reality of Canada today? The reality of Canada is that there are 1.5 million Canadian citizens who have taken the trouble to register at a Canada Manpower Centre and say that they are ready, willing, able and anxious to work, that they are available for work, want to work, need to work, want the dignity of a pay cheque. However, nobody is calling. A million and a half people.

There are another 2.5 million people who have given up. They have not even registered at the Canada Manpower Centres. They have not even made an application lately. They are on welfare. Four million people either registered, are anxious, able, and actively looking for work, or have given up. That is the reality of our country today. With four million either unemployed or on welfare there are millions more—and every member of Parliament knows it—who live in fear every day that when they go to work in the morning the boss is going to tell them that their job is disappearing soon, or that they are going to be laid off.

There is fear in this country today. There is fear felt by the average working man or woman such as has never been felt before in our history. People are afraid.

The very morning of the budget I was going upstairs to have breakfast in the cafeteria of this building. The lady who served breakfast looked around to make sure that nobody could overhear her and said: "Mr. Tobin, do you think there will be something to get the country working again in this budget? Because I am afraid, I am afraid for my job, I am afraid for my sons and daughters, I am afraid for my friends. I have never felt afraid before". There is fear in the land. Even an employee of the national government, supposedly the safest job in the world, even someone employed in the House of Commons feels fear.

How do we measure this budget? We were told it would be realistic. Does this budget put back to work the 1.5 million who want to work but cannot find work? Does it offer to retrain, to stimulate, to motivate the 2.5 million who have gone on welfare? Does it give a sense of security, a sense of being able to sleep at night, to the millions more who are working but who fear losing their jobs at any time, even for a moment?

Not at all. Against that standard, against that test, this budget has failed this country.

Not only does the budget say to those who are unemployed, those who are without work: "You are on your own", but it then goes on to predict right in the budget paper—and these are not my words. These are not the words of the opposition. This is not the analysis of those who want to score political points. It is right in the budget document. It then goes on to tell us that unemployment is going to stay at a level in excess of 10 per cent for the next two years, in the range of 10 per cent. It tells us that 1.5 million unemployed people and 2.5 million people on welfare, that 4 million Canadians are acceptable losses in the so-called war against inflation.

I find that absolutely callous. I find it cruel. Frankly, measured against the responsibility of any government with a heart, I find it cowardly that a government would stand and say that not only has it no plan of action to deal with cruel levels of unemployment but it projects that those levels of unemployment will exist for at least another two years. Then, far enough into the future when supposedly no one can argue with the government it says: "By the way, 24 months down the road unemploy-

ment will mysteriously and miraculously fall to seven per cent".

A government that could find absolutely no money for the farmers being driven off the land across this country—40,000 of whom were here in front of the Parliament Buildings only a few days ago—a government that can find no solace, no money, no support for the fishermen being driven from the seas in the face of the onslaught of foreign overfishing, a government that could offer no hope to those without skills who have even given up looking, a government that could offer no concrete program, no municipal infrastructure program, or any other program for the 1.5 million unemployed, that same government found some charity in its heart to include $7 million in this budget to build, what? A museum of humour in Montreal. It is here in black and white, $7 million to build a museum in Montreal.

The government says it is going to make hard, tough choices. That is what the minister who spoke before me told us. He said: "We will make the tough choices for Canada". Seven million dollars for a museum of humour. That has to be the most public and sickest joke this country has experienced for some time. Perhaps the first item that ought to reside in the museum of humour is this budget.

Mr. Blenkarn: I thought you were going.

Mr. Tobin: The member for Mississauga South who has announced that he is no longer chairman of the finance committee and is going to resign in advance of the onslaught of the polls in the next election, that courageous member, who having served as a Conservative member of Parliament for eight years will not even stay around to face his constituents in the next election, barks at me as he departs the Chamber. It is a single act of bravery on the way to being consigned to the dusty and forgotten shelves of the history of this place. The member ought to get on his feet and talk about this budget.

This government says that it wants to do more for the children of Canada. It says that one of the great accomplishments of this budget is that we are going to do more for children. It has killed off, to quote the minister of health—the killer—a national child care program and it has announced that it is going to spend $2.1 billion over the next five years for Canada's children. What it does not tell us, because it dare not, is that it has slashed and cut $3.2 billion in child benefits over the last five years.

The government actually expects to be applauded for spending $2.1 billion over the next five years when it has cut $3.2 billion over the last five years.

Perhaps the part of this budget that is hardest to swallow coming from an administration that since its inception in 1984 has introduced 33 tax increases equalling nearly $2000 in additional taxes for an average family of four, is the claim that it contains a tax cut.

• (1620)

The government got up, pounded itself on the chest and said: "We brought in a tax cut". It expects Canadians, like Pavlov's dog, to get up and applaud over this tax cut.

Mr. Speaker, being a man of great integrity I know that you are interested in knowing exactly what this tax cut amounts to. What has the government cut? Has it cut the personal income tax rate? No. Has it cut the GST, the tax on all goods and services? No. Has it narrowed the tax on goods and services in Canada and eliminated some items? No. Well what did it cut? It cut the rate of a surtax on personal income. It did not cut the personal income tax rate, ladies and gentlemen listening across the land. That is not going down one cent. It cut the surtax.

What is this great surtax? It was introduced in 1985 by this government as a temporary tax targeted at reducing the deficit. Now it is 1992 and it is going to cut the temporary tax marginally and it expects applause.

What do the budget papers say about this tax cut? Those who have the document should refer to page 135. What is this great tax cut? It is going to stimulate the economy, send consumers rushing to the nearest mall and create thousands and untold thousands of new jobs. Let us look at it.

These again are the budget papers. These are not my notes. These are not Liberal documents. These are not New Democratic Party documents. These are not press documents and these are not political documents. These are budget documents, the government's own numbers.

What will this mean for a one-earner couple earning $15,000 a year with two children, in other words, the poorest amongst us? Four people in one house, one unit, one apartment, one building with an income of $15,000 a year are going to have a great big tax cut. The government has outlined it for us. It works out to be $2. They are going to get a $2 tax cut this year. A family of four with an income of $20,000 is going to have a tax cut of—get ready, get a grip on yourself, turn up the pacemaker—$6. By the way that is $2 a year, $6 a year, not a day, not a month, not a week, but a year. A family of four with an income of $30,000, it gets more generous as we go on, is going to have a tax cut of $15. If you have a family income of $40,000 you will get a tax cut of $27, but if you get all the way up to $100,000 you get a tax cut of $111.

You would have to be the world's greatest used car salesman, and I say that with all respect to used car salesmen, to stand up and suggest that this so-called tax cut of $2 a year, $6 a year, $15 a year, or $27 a year is going to stimulate the economy?

If this budget was a used car it would have no wheels.

The Government of Canada cannot be serious when it suggests that it is trying to reach down to assist those greatest in need and to give an economic shot in the arm to the economy of this country. It cannot be serious when it says that it wants to demonstrate some compassion on the one hand and on the other hand get this economy going again.

Mr. Benjamin: No, they really believe that stuff.

Mr. Tobin: My friend from the New Democratic Party from the riding of Regina—Lumsden, a great member of Parliament who is leaving—it will be very hard to fill his shoes but we will find a good Liberal to do it—says that the government really believes this stuff. I am not as cruel as he. I do not believe that even the government believes its foolish claim to stimulate the economy with that stingy, miserly, miserable, ridiculous, insulting, cold, cruel, callous-hearted $2 tax break. Not even the government believes its own rhetoric when it tells us it is going to stimulate the economy with that. The government also claims that it is providing some minor tax cuts. Even my friend, the member for Mississauga South, would admit they are minor. The member would admit with his great expertise that they are minor, that they are going to really instil a new degree of confidence in the business community. The reality is that the collection of minor measures, designed to give some kind of break to business, to engender a degree of confidence in the business community, are dramatically offset every time the interest rate rises. When real interest rates in Canada are posted alongside U.S. rates they are dramatically higher in this country than is the case south of the border.

Those so-called minor concessions are more than wiped out when we see, as we did today, the value of the Canadian dollar going up. We are an exporting nation. Whether we are exporting fish, mineral products, forestry products or manufactured products, this is an exporting nation. It is one of the largest exporting nations in the world. It is one of the nations of the western world, the G-7 group, most dependent upon exports for its financial health. When our dollar goes up, our ability to compete as an exporting nation declines.

The government pursues blindly its policy of high real interest rates and a high dollar. Canadians are being led to believe that interest rates have dramatically fallen. We acknowledge that and we applaud that. The cost of doing business in Canada compared to the cost of doing business south of the border is still dramatically higher. My friend from Mississauga South would acknowledge that because we cannot argue with the numbers.

There is nothing here that is going to dramatically improve the confidence level in the Canadian business community. What do we have? We had a Minister of Finance who declined to wear new shoes the day he delivered the budget. The reason he did not wear new shoes is because he did not deliver a new budget. This budget is a retread of the last four or five budgets presented by the previous Minister of Finance. It is the same old policy from the same old government that got us into the mess we are in in the first place.

Canadians wanted change, constructive change. They wanted proactive government, a government determined to get this country working again. Against that test, this budget has failed this country. This budget has not contributed to a healthier economy. It has not contributed to a healthier political climate. It has not contributed to national unity. It has not contributed a single thing to those people who most need at this time in our history the chance to go back to work, the dignity of a pay cheque and some restored confidence in the fundamental health and strength of this country.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I always enjoy the humour of the hon. member and he undoubtedly will be the first guest if there ever are guests at the museum for humour. He will intrigue us all. The whole country will benefit from his humour. It is too bad, having made such a humorous speech, it did not have some reality in it. One of these days he will find out that unemployment rates are determined by Statistics Canada and not by the Unemployment Insurance Commission. After he is around here for a while he will learn that.

Let us get down to something else he talked about. He grabbed viciously at page 135, dealing with the savings people make on the surtax. He did not go over to page 138. If he would like to go over to page 138, let us talk about the savings of a single parent earning $20,000 a year. It is $639, not bad.

If we get down to a single parent with $100,000, it is $328, but get down further. These tables are there and they are substantially different. That is really what counts.

• (1630)

There is a program to reduce a surtax. A surtax is an extra tax. That surtax is coming down in year one by 1 per cent, from 5 per cent to 4 per cent, in year two from 4 per cent to 3 per cent and hopefully, as the minister comes forward next year with a budget, he will be able to go down from 3 per cent to 2 per cent or 3 per cent to 1 per cent, or maybe eliminate it completely as this country grows, as it is growing as business confidence is clearly demonstrated in this budget.

He talks about the dollar. Does he not realize the dollar in exchange markets with the United States is strong? Would he have a weak dollar? Would he have a chicken dollar? It is strong, but it is down 500 basis points since the first of the year.

What kind of an economy would he like? Would he like a strong economy like Germany, the largest trading country in the world, where its currency and relation to the dollar has done nothing but harden year after year after year? Or would he like a weak currency like the currency of Argentina?

It is clearly the Liberal policy to have the Argentina policy. Borrow more money because borrowing only got you in trouble. Build more public works with more borrowed money so the rate of interest can go up and up and up and put the country out of work.

If borrowing made the country strong and if borrowing made the country rich, this country with its debts would be the richest in the world by far.

If the hon. member's policy in his tribute to humour is to borrow more money for more projects, then we would not be in the mess we are in. I guess that is the humour of the Liberal Party.

Let me advise him too, while he is shivering in his boots, that should I get the nomination for the Progressive Conservative Party in Mississauga South I will be contesting the election as it comes up.

Mr. Tobin: Mr. Speaker, I hope that those who were paying attention to this debate will note that the member complained that I used the table on page 135 that showed that there was only a $2 reduction in the surtax on personal income.

Then he asked me why did I not refer to page 138. Please note that he started to quote from the page but when he got a look at the numbers he swallowed hard and shucked them aside and said what does it matter?

Let us quote from page 138. Page 138 is the combined effect of both the surtax reduction, the $2 cut, and the child tax benefit. The member wanted me to quote that page. Let me quote from it. If you are a single parent and you have an income of $10,000 a year, standing right here or a parent with $100,000 a year standing right here, what does the government do?

It gives the combined child tax benefit and surtax reduction for a single parent with a $10,000 income of $500. If you make $100,000, 10 times more income, you get a benefit reduction of $328. That is why the member swallowed hard and sat down. He realized that it is totally indefensible that the total tax benefit to a single parent with a $10,000 a year income is $500 and the same person with $100,000 a year income—10 times more—gets a break almost as big as that person starving to death with only a $10,000 income.

That is why the member was in shock when he picked up page 138 and attempted to use it as an arrow in his bow. He found out he shot himself in the head which is not unusual for the member for Mississauga South.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I was really dumbfounded when the member for Mississauga referred to the speech of my colleague, in this debate, as humour.

That is an insult to Canadians. My colleague most eloquently, more so perhaps than any member of this House, was able to reflect the needs of Canadians because he is sensitive and caring. That is what the Liberal Party is all about.

As I was listening to my colleague I learned a few more things. I learned that there is such a thing as Tory arithmetic. If you want to say that you are doing good, do bad things for six years and in the last two years pretend you are doing something good. In the equation, it will look like you are doing good. That cannot fool Canadians.

I also learned that Tory reality is fantasy. It is fantasy. It has forgotten about the unemployed, those forced to receive welfare assistance. I also learned that a Tory promise is one that is broken even before the last word is said or put on a piece of paper, as has been the case with the national child care program. I also learned that Tory honesty is when one plays a shell game.

I would like to ask the hon. member to comment further. I would like to listen to more of his eloquence so that Canadians can be truly represented in this House. I hope the hon. member from Humber—St. Barbe—Baie Verte would oblige.

Mr. Tobin: Mr. Speaker, am I out of time?

The Acting Speaker (Mr. Paproski): You have one and a half minutes.

Mr. Tobin: One and a half minutes.

An hon. member: You just got warmed up.

Mr. Tobin: No, I do not have to get warmed up. This government has warmed me up. It has put fire in my belly. It has redoubled my determination that I shall be there with the people of Canada when next this crowd has the courage to confront them at the polling booth.

I am delighted that the member for Mississauga South has again refired his interest and found his heart and is ready to go out and face his constituents. I find it passing strange that only a few months ago he had lost his heart, but obviously he thinks there is enough fantasy in this document to go out and face his constituents again.

In the part of the country where I come from, this document, this budget will never wash. You know the people of my province are proud to say when they see this kind of guff—and here comes the biggest guffer, the member from St. John's West—they are proud to say that we are from Newfoundland not Disneyland and this kind of fantasy will never fly where people put up with no guff from the likes of the member for St. John's West or, for that matter, the member for Mississauga South.

Ms. Barbara Greene (Don Valley North): Mr. Speaker, it has been quite entertaining sitting here listening to the blarney.

First of all, I would like to compliment the Minister of Finance on an excellent budget that I think makes progress in a number of important areas. I would like to concentrate my remarks on the changes in the social system in Canada that are presented in the proposal for child benefit changes.

Much of this came from the report of the child poverty committee that I chaired, as well as the family caucus committee that I also participated in. I think the earned income supplement is really something that is quite revolutionary for Canada and is something that we can be very proud of in introducing.

One of the things that our committee noticed was that people who escaped poverty in Canada were employed. They had jobs. In order to escape poverty you have to have a good job in Canada. One of our recommendations was that the minimum wage be set at a level equivalent to the low income cut-off for an individual. This is so in a few provinces in Canada, including Ontario and Quebec.

In Ontario, an individual can make, using the minimum wage, about $12,480 for full-time work. A family with two income earners under this program, with the added earned income supplement will be out of poverty. They will be able to earn an income if they both work of $27,500 in total with the child benefit, the low income cut-offs for Ontario for a large city. The highest one with

the 1986 base is $26,803. That is going to be a major incentive for people to work. Similarly, a single parent in Ontario can make $12,480 at full-time employment. They will get $1,520 for their child benefit, an increase of $500. They will also get a full equivalent to married tax exemption and they are eligible for child care expenses. Admittedly, they would not get very much there but they will not pay any tax at all. Therefore, they are going to be getting $14,000 tax free, which is a very substantial improvement over where they are now.

• (1640)

The statistics in the book look at averages and they are sometimes misleading. What you really have to do is look at how it affects people individually. The biggest problem we have in Canada is trying to help people to work and to make it fairer for people to work. Our problem is not in keeping people happy and productive at the very upper end of the income level. Our problem is helping people at the lower end to become active and participating members of the community. If they can go out and work and earn an income that is above the poverty line, their children will be a lot better off and have better opportunities. They can earn the minimum wage, work hard and they can move up the ladder and can eventually attain quite a good income.

We had recommended a guaranteed earned income supplement and suggested a federal-provincial task force to design it. Very cleverly the finance department has been able to develop a system that makes use of the existing family allowance identification system and simply meshes information from the tax form to the family allowance so that cheques can be sent out on a monthly basis. The cheques will begin in January 1993, assessed on the basis of this year's financial situation.

Many people have been unemployed this year and their situation may be worse than it will be next year, but they will be getting those benefits in the first three months based on the income they received this year. Next year they will get it based on the income they have next year. Therefore, instead of people going through the tax system and being assessed through that means, it is giving it before on the basis of the last tax forms so there will not be the need for a mathematical change at the end of the year. They have already assessed the money. I think it is very cleverly done.

In Ontario we are looking fairly good right now as far as the poverty situation is concerned. We have welfare incomes at a basic needs level. It is about 65 per cent of the poverty level, substantially higher than most provinces in the country. Eight out of ten provinces do not have welfare at the basic needs level. This is a problem we have to address in order to give equal opportunity to children across this country. This was also a recommendation of our poverty report.

The concept was that welfare would cover basic needs. Quite clearly there are enormous gaps. New Brunswick has the worst situation. It is well under 40 per cent of the poverty line. Around 60 per cent is the basic needs level.

Our concept was that the federal child benefit would be on top so that there would in fact be an adequate income for families to look after their children, something that would allow for discretionary needs beyond basic food, shelter and clothing.

While nothing additional has been given to the welfare recipient in this budget, a structure has been put in that I think is appropriate. I would, of course, have liked to see something more at the bottom end for welfare recipients and the child benefit but given our financial situation, I think this is a good start.

I believe the minister will be meeting with ministers of the various provinces and, hopefully, working to get some kind of national standards for welfare. It is important to have the gap between welfare and the working person. People have to be better off when they are working in order to have the incentive to work. Therefore, I think you need to have that kind of gap. Of course the New Democratic Party has a very different concept. They still have the gap, but what they would like to have is the minimum wage that is 60 per cent of the average industrial wage, which would be about $8.10 per hour. I think that would create poverty in this country such as we have never seen. I think the entire retail sector would be wiped out. I do not think, to be realistic, that we could possibly conceive of an $8.10 minimum wage in this country. I think going up to a minimum wage in each province at the low income cut-off and to welfare at a basic needs level, as well as this program that helps the

working poor, would go a long way toward rectifying the problems.

The other area that I am concerned about is day care and the Canada Assistance Plan program for day care. Our committee had recommended that the 5 per cent limit on the Canada Assistance Plan, which applies in the three provinces that currently do not receive equalization, be lifted for the subsidized day care program alone. This was not done by the minister and I am disappointed about that. He felt that he did not have sufficient money. I do not think it is a big ticket item at the present time. Currently, we spend $275 million on subsidized day care. If you lifted the limit I do not think that too many provinces would be able to dramatically increase that at the present time, although of course provinces like Ontario would get a recovery because of the fact that they are now picking up an awfully large amount under the Canada Assistance Plan.

I think in the long term the program would develop slowly to increase the number of subsidized day care spaces. Having worked on this issue since 1972 in Toronto, it takes time to get day care centres built, it takes time to train workers. So it would be a gradual increase.

That program is geared to income. It helps the very needy and it helps people to work. I think very strongly that we should be expanding that program and assisting the provinces, because it is a provincially initiated program, to develop it. We also recommended various measures which could encourage business, schools and churches to take an interest in the day care issue and to help provide space and lower operating costs so that the cost of day care could be affordable to a lot of people.

In my community every single school has a day care centre and the high schools have them as well. The people who can afford to attend are the people who do not need subsidy. We have very few subsidized spaces now in Toronto. I personally find it repugnant that people who need to work or would otherwise be in poverty cannot get the subsidy that would allow them to have their children properly looked after. When you are in an urban area such as ours, there are very few people at home who can look after children, so the system of getting the neighbour down the street does not really work very well. Of course, at the income levels we are talking about, many of these people would not be eligible for very much of a day care expense deduction. So I think that subsidized day care program is extremely important in helping people to work.

We had also recommended that the day care expense deduction be changed to a refundable child care tax credit. I understand that the numbers that the Department of Finance came up with were rather dramatic. Once again, I think as long as you are charging a fee not everybody is going to take advantage of this. People who want to stay home with their very young infants will juggle their timetables to have a parent there. They will take their holidays and so on. I do not think there are outrageous amounts of money involved. I hope our committee will be looking further at that. I certainly intend to pursue the matter.

I think we made a very major step here and I think those who are standing up and saying that—

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I have a question to the hon. member. I, too, am very pleased to see the use of the income tax system to provide, even if it is only in terms of a child benefit, a uniform income, for a start anyway. By this time next year, without any future stimulation to the economy, you may have to provide it to all people on social assistance across Canada. That may be the start of the guaranteed income. This is just the start of a guaranteed child benefit.

• (1650)

However, my question is one of concern. I realize that a person receiving a disability pension under Canada Pension, receives increments each year, according to the indexation. If they are also on family benefits, perhaps not in Ontario, but certainly in Nova Scotia, the family benefit is decreased by the amount of the increase of the Canada Pension. It is directly related. The provincial social services will take it away immediately on the payment. I am wondering if there is anything that the member can do to impress upon the minister there should be guidance given to the province, as the member so well said here about it, that it should be over and above, it should be help for.

I realize that it should be help for, but I know many provinces will take away the exact amount the person receives unless the federal government says to the provinces that this cannot be done. It sort of negates the whole aspect. If a woman who receives $800 a month for two children has her child benefit increased next January and immediately in February it is taken away, all I can see benefiting is the Canada Assistance Plan because the province is not paying for it. The Canada Assistance Plan benefits as well because the federal government will not be paying for it. Where you take away the child tax deduction from every family in Canada and take away the family allowance from every eligible mother in Canada and substituted this, all in all on the ledger, you have just taken it away from one part to pay the other. Maybe the hon. member would like to comment on that.

Ms. Greene: I very much agree with the member. I do not think we should have this system that has gone on for so many years in which the provinces and the federal government play games. We need national standards that ensure the income people receive from welfare and the benefits they receive are adequate to meet their needs, that they cover the basic needs level.

Similarly, when the federal government gives someone an increase, there is no way that the provinces should be taking that money away. This is why we said very clearly in our report that the child benefit should be on top, and I think that is most important. It does require negotiations with the provinces. The minister will be meeting with the provinces. I hope that these are high priorities on his list as I think this game which has been going on has hurt poor people in Canada and has made no one really responsible. It should be stopped. We need a far more accountable system. If you have national standards and if the federal money is on top, we can say that all Canadians have an adequate level of income and that children have the discretionary income available to their families so they can participate as full members of Canadian society.

I for one want universal opportunities for—

The Acting Speaker (Mr. Paproski): There are still a couple of questioners here.

Ms. Margaret Mitchell (Vancouver East): I listened with care to the member. I know she is very sincere and has worked hard on the child poverty committee. I wonder about some of the implications and the kind of almost dream-like thinking that the focus of these benefits is really to try to help poor people to work. It is like saying people are on welfare because they do not want to work and certainly a small bribe of an extra child benefit is not going to do very much. I wonder how people are going to find a job. She talks about two parents working and how it might bring the family with the child benefit out of poverty. Where are the people going to get the job especially in her province of Ontario where unemployment is so high? She said it looks fairly good, 65 per cent of poverty level. For families, I am sure that does not feel very good at all.

So where are they going to get the work? Even if they find a job where are they going to get the child care programs?

This government has refused to do anything about child care and in her province of Ontario they are taking away the availability of CAP funds for child care. The dream she had that this would magically solve unemployment for people is just crazy. I ask her: Where are these people going to find jobs? How are they ever going to get child care in order to take a job, if they are lucky enough to find one?

Ms. Greene: Mr. Speaker, I welcome this question. Quite clearly in Ontario we do have a very serious problem. People cannot afford to work. If you have more than two children right now, you are better off on welfare than taking a minimum wage job.

What will happen under this program is there will be an additional incentive to work. What I would ask the provincial government in Ontario to do is to provide more subsidized day care spaces rather than higher welfare rates.

The Acting Speaker (Mr. Paproski): I was trying to get a couple of more questions in here. I will not be able to do it. Questions and comments are now terminated.

[*Translation*]

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, first I would like to thank my colleague from Don Valley North for sharing her allotted time with me. The budget that we are defending now is, in my opinion, an excellent budget since it clearly follows up on what

Canadians have told us. I want to thank the Minister of Finance who consulted us before tabling this budget.

We know that in 1984, when we came into power, the accumulated debt already stood at $200 million. Quite often people do not make the difference between the accumulated debt and the annual deficit. A quick calculation shows that the debt we had then stood at $206 billion. Now, thanks to the efforts of this government since 1984, we have operating surpluses when you exclude the debt that was already there.

Last year we already had an operating surplus of $12 billion with our programs. If you make a projection over the next year, we might have a surplus of $25 billion. What must be explained to people is the fact that to those $206 billion that we had in 1984 you have to add the $239 billion in accumulated interest. So, if you add up the debt of 1984 with the compounded interest and then subtract the surplus you arrive at a total debt of $420 billion.

It is not easy for a government that comes into power, to have to manage such an operating deficit from the start. It is like asking a family that spends $100 per week on groceries to pay the rent, the interests on debts, or to make monthly payments on the car or the house when it is already $16 short to pay the $100 grocery bill. So you have to work on reducing superfluous expenses to eventually be able to pay only the grocery, then the interest on the debt, then reimburse the capital on that debt, and so on.

That is what the Conservative government is in the process of doing. We already have operating surpluses and a deficit that gets lower every year so that by 1994–1995 we will be able to start paying off the debt.

• (1700)

I think that this is a positive sign and that the management and operation of a government are a long term business rather than a short term one. When asked what they think of the government's approach the business community and the small business owners say that they support it. Who creates jobs? Small businesses, promoters and people like them. That's why we must manage the government in a way that will reassure them.

In this budget we announced a 1 per cent cut in personal income taxes this year which should inject $500 million in the economy. With another 1 per cent cut next year $1.2 billion more will flow into the economy. They say that 1 per cent is not much but if we had not done it we could have saved close to $2 billion which would reduce our deficit or our debt by the same amount. So I think that measure make things a little better for people and it represents an injection in the economy of a total amount of $2 billion over the next two years.

We also know that business—I mentioned it earlier—is the motor of our economy. But for too long it has been overburdened with taxes. Tax measures were not an incentive but rather a hindrance. Then a reduction of 1 per cent in the business tax rate was announced in the present budget. One knows that business profits are taxed from the very first cent after one year. When the tax rate on these profits is cut by 1 per cent, this percentage point is important for the business person who can then sell its product at a lower cost, thus promoting exports, increasing sales, which inevitably fosters job creation. When products are sold, more workers have to be hired. That is how things should be done, working together with the business people to create jobs for the future.

Furthermore, we are enabling business people. I know from experience that when you buy machinery you can claim capital cost allowances. So, when we announce a 30 per cent capital cost allowance rate in this budget this actually represents a lot of money for a business. Let us say you have $100,000 worth of equipment. If you deduct 30 per cent this represents $30,000 in deductions from profits. That is an incentive and it shows businessmen that this government sides with them and gives them an opportunity to tap an increasingly competitive world market in the years to come. Once again, that will mean new jobs.

Small businesses will also be allowed to access more risk capital at slightly lower rates. The maximum amount has been raised from $100,000 to $200,000. That will give the small business or the entrepreneur who wants to start a business good credit terms. It was also announced that $230 million would go to research and development.

All those budgetary items will be incentives for business. I heard the president of the *Association des manufacturiers du Québec* say on budget night that this kind of budget is a boost to small businesses and that he is quite glad at those announcements.

I want to emphasize also that this government gives us sound management. Since 1984, if we exclude interest costs on the accumulated debt, we have surpluses in operational budgets.

Furthermore, we have just done away with 46 government agencies which did not amount to much in the eyes of the Canadian public. In so doing, we are saving $22 million a year.

We often hear people, constituents from my riding, say that the Senate is expensive. You know that $22 million is approximately half the cost of the Senate and over a five-year period, we can save $1 billion. These are savings again, not expenditures.

Naturally, we have decreased the salary of the prime minister and the other ministers and it is not the first time we do so. It might seem very little but if we had done the opposite we would surely have been blamed for it. We decreased salaries and it is commendable.

Of course some corporations will be privatized and my colleague from Don Valley-North mentioned child benefits. All in all, I think this budget is an extraordinary one and I am convinced it will have an impact for years to come and it will revitalize the Canadian economy.

[*English*]

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the hon. member started his speech this afternoon by saying that it is a remarkable budget in response to the needs of the population. He went on to talk about the tax cuts of 1 per cent on the surcharge.

We have to remember that it is this government that has raised taxes 33 times since it came to power, including the GST.

This 1 per cent that he talks about for a family of four with a $15,000 income amounts to $2 a year. I do not understand how the hon. member can call that remarkable.

On the second point, he said that the budget responds to the needs of the population. I have a very simple question to ask the hon. member. If he says that the budget responds to the needs of the population, how does it respond to the needs of the 1.5 million people who are unemployed?

[*Translation*]

Mr. Joncas: Mr. Speaker, in her question, my colleague says that this government imposed taxes including the GST; this tax system had already been planned for a long time. It had even been discussed when her party was in power.

When the GST was implemented it was clear in the government's mind that it would enable us in future years to lower the personal income tax rate.

Very often workers tell us that it is no use killing oneself working or earning a little more if the government takes more in taxes. They have no choice. If they earn more, the government taxes it away. With the GST, we can have lower income tax rates and decide ourselves whether to consume or not and indirectly to pay tax or not, which is not the case with income tax. I believe that the orientation of this kind of tax, the GST, is good for consumers and they understand it more and more.

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I heard the hon. member for Matapédia—Matane say in referring to the budget that it would reduce the deficit. I was born in his riding, Mr. Speaker, and the unemployment rate there is now between 30 and 35 per cent. There is nothing about fighting unemployment in this budget either in the regions or urban centres.

However, the most outrageous measure this budget contains is probably the cut affecting co-operative housing. Housing co-operatives are a proving ground for entrepreneurship where people with modest incomes develop a sense of solidarity so that together they can become homeowners. The budget does contain home ownership incentives for people who are well off but the co-operative housing program has been cut altogether. This reflects a total lack of concern while at the same time the government says: We are concerned about children, about poor families, and we have overhauled the family allowance system. We will give you a cheque, but don't try and do anything for yourselves. Don't try to develop any solidarity with the kind of groups I have in my own riding, Mr. Speaker, such as the *Société populaire d'habitation de Rosemont* and the *Ateliers populaires du Plateau Mont-Royal*, which help people to take control of their lives.

• (1710)

I see the hon. member for Laval. When he was mayor, he always refused to allow co-operative housing. No wonder!

The Acting Speaker (Mr. Paproski): The period for questions and comments has now expired.

[*English*]

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I want to direct some remarks not only to the government and the Official Opposition but to my own party as well.

I first want to get rid of this mythology that the NDP and the CCF before they were the big spenders. Mr. Speaker, name me a provincial, municipal or federal government where the NDP got us into this kind of mess.

An hon. member: Ontario.

Mr. Benjamin: The Ontario deficit was in excess of $8 billion when the NDP took power. It was increased by $1 billion putting people to work.

An hon. member: Now it is $14 billion.

Mr. Benjamin: In my own province we are not the big spenders. Tory and Liberal governments all across this country were the big spenders and they spent it on the wrong things. Let me tell the House why.

We have to rebuild our nation. If we want people in all parts of our country to have confidence in this country, we need policies of full employment. We did it before and we can do it again.

I am amused by the colleague who just spoke about the private sector, small, middle and big businesses. I find it strange, in nearly 24 years of being here, that whenever they are in trouble they are the first ones to come to Ottawa with their hands out—and I have been in dozens of committee meetings—asking for something from the government. At the same time the Chamber of Commerce and the Canadian Manufacturers' Association tells us: "Leave us alone, don't interfere".

I want to illustrate what we did before and what we can do again. I will start with my own province. It was totally bankrupt in 1944. We could not give Saskatchewan government bonds away. Our total highway system was run into the ground. Our farmers and our municipalities were faced with seed grain and relief debts. If those debts were translated into 1991 dollars, it would put the provincial deficit five times higher than it is now and, thanks to eight years of Tories, we have a $7.5 billion deficit in our province for one million people.

The experts, the economists, the press and even Liberals and Tories said what we did could not be done. We did not know any better; we just went and did it anyway. From 1944 to 1956 we rebuilt every mile of highway in that province, the largest number of miles per person of any province in the country because it is all flat and far.

We tripled our power generation capacity and in those 12 years took electricity to 40,000 farms. We were bankrupt and we borrowed money. In the short term we increased our deficit but we had full employment. We took sewer and water to hundreds of communities, towns and villages in our province. We still have too damn many communities in the country now that do not have that, especially in the north. We have no excuse. We did it before with policies of full employment.

The Liberal government of the late forties and early fifties, we scared the hell out of it as a result of the 1945 federal election. It did some marvellous things in those years. I want to remind my colleagues that we financed the entire Second World War without a nickel of foreign investment. This chronic appeal that we need to have foreign investment is baloney. We paid for all of that ourselves. Following the war we paid for what we had to do because the infrastructure of our economy and our nation was ground to a halt.

With 10 years of drought and depression and 6 years of war the whole place had to be rebuilt, and we did it. Even the business community was demanding that the government intervene, that the government provide incentive, motivation and challenge to the whole nation.

I wonder if the governments of this day—and I even worry about the NDP governments in B.C., Saskatchewan and Ontario—have the imagination and courage to do it. We are not in a recession. We have been and are now in a depression.

In relative terms, by comparison people are suffering today to the same degree or to a larger degree than they were in the dirty thirties. I say do not try to kid the troops about this being a recession that is going away. We have been trying to kid the people through this Parliament for the last two years that somehow or other the recession is

going away. It will not go away without some national and provincial leadership.

Let us look at the debt of my province and the federal government in 1945. It is many times greater than the one we have now, translated into 1991 dollars. It is all relative. By 1956 my province which started out bankrupt had paid off the entire debt from the dirty thirties and the Second World War. The federal government repaid all its debts from the dirty thirties and the Second World War. That debt was all what we owed because we financed the whole war ourselves.

What we need is the courage, the political will, and the political risk to challenge this nation, to challenge the people and put before them a rebuilding of all our country.

When we look around to see how much there is to be done, the crying need, every city in this country has a waiting list as long as an arm for chronic care beds, co-op housing, senior citizens' housing, and low income housing. Most municipalities in this country need to rebuild or rejuvenate their sewer and water systems as well as their streets and sidewalks.

We need a national fund to which the federal government, the provincial governments and the municipalities contribute and borrow from. The federal government can say that they can have it at 4 per cent and that it will pay the difference on the interest. This will put people to work.

• (1720)

I recommend and urge my colleagues to read a book called *The Unnecessary Evil* by Professor Bellan from the University of Manitoba who is no NDPer. He refers to all the hysteria and hypnotism members of this place, including some from my party, have about deficits and debts. Most of it is money we owe ourselves. Some 80 per cent of our national debt is money we owe ourselves. I meticulously buy Canada Savings Bonds every year and the government pays it back to me with some nice interest, but I do it because I want to do it.

Surely a fundamental change in the direction, the nature and the purpose of our society, is overdue. It does not matter whether it is a Tory, a Liberal or an NDP government if we do not have the courage and the political will to do it, to make this fundamental change in the direction of government, in the direction of society. Of course it will mean increasing deficits in the short term, but the only way to pay off deficits and debts is with full employment: they are working and they are paying income tax. They do not want and would not need home care in most cases. They would not need benefits provided because they are unemployed and whatnot, if there was full employment.

We could do what we did during the war. We had a declaration of war and this country did a magnificent job. We put one million men and women in uniform. I remember working in the shipyards as a 17-year-old in 1942 and 1943. I got paid well and I paid my taxes and I bought War Savings Certificates and War Savings Bonds.

We can do the same thing again. There is no reason why we could not and why we should not. The economists I listen to on the TV and the radio and read in the newspaper never had to look for jobs. They do not know—if you do not mind me saying, Mr. Speaker—their ass from a hole in the ground.

This change that I am asking for is nothing radical. It is not terrible socialism. It is what the people in my province and in my country did before.

Does the government want to do something about national unity? Bring in full employment policies so that people in other parts of Canada including Quebec have some confidence in their future. Change these outrageous, conventional wisdom ideas from the 1890s and the 1930s that too many people who governed or advised us had. It just takes some imagination and some will and we can do it. The money is there; we can make sure it is there. We can do all the things that need to be done.

My goodness, I read in the budget that the co-op housing project was cancelled. It should not be cancelled. It should be doubled or tripled. When we have to tell people to use their own savings to buy a home and that they have to pay it back, all we are doing is making them use their own money to get themselves a home. I thought it was a good move by CMHC to cut the down payment from 10 per cent to 5 per cent. Good idea. I remember when I bought my first house. I had quit the railroad because it was going to hell in a hand-basket. I used the $1,900 I got back from my contributions, with no interest on it, for a down payment on my first house. I am

not complaining. I worked hard and I did my best, and I think I have had modest success.

We cannot forget about our own history, our own individual experience of the times we went through, good and bad. I am an adherent of John Maynard Keynes and when times are good I am going to raise taxes and when they are bad I am going to lower them. I am going to increase the deficit when times are bad. If you are not prepared to do that you are not going to have full employment. You are not going to put this country to work. You are not going to rebuild it. Think about all the things that have to be done, and need to be done, in this country.

When I read about aboriginal people on reserves in the north who live in the utmost squalor I think that we have a lot of nerve crying about the human rights of people in China or anywhere else. There are about 5 million people in this country who are deprived of basic fundamental human rights, such as a decent home, a job, and the amenities that others have like sewer and water systems and electricity. We have no excuse for not doing it. I do not give a damn which party is in government.

I want to say to my colleagues in the three provincial NDP governments that if they go along with this hypnotism and hysteria about deficits and debts they are not going to be a hell of a lot different from the Tories and the Liberals. God knows they got us into enough trouble and are keeping us in that situation right now, unless there is a change by all our parties in what we do and how and when we do it.

I would urge the government to make a declaration of a national economic emergency and do the same damned thing we did when we had a declaration of war, do the same things we did when we had to rebuild our total economy after the war. That would challenge our people. It would give them some faith in this place and the people they elected.

I hope that my colleagues will appreciate that I am just trying to remind the House of what we have been able to do before and could do again. It will not be easy. All the experts will criticize us. What do they know? They never dug a ditch in their lives. They have not been there. Most of us have been there, one way or the other.

Unless we make this kind of a change in the direction and the purpose of our political parties we will not learn from history and will repeat the same mistakes.

I am not sure if this is the last budget I will speak on or not, but you have not heard the end of me yet.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, it is always a pleasure to hear from the hon. member for Regina—Lumsden and to hear some of his suggestions. I am particularly interested in some of his analogies here today.

I would like to get his reaction on the fact that I noticed in the Main Estimates that the government has cut, for example, from the Atlantic Canada Opportunities Agency, the Department of Employment and Immigration, and Canada Post.

• (1730)

If any group approaches me as a mainly rural MP, it is in reference to the service that Canada Post provides and that has been cut.

But then away down in there—and you have to find it—is $3.3 million for this museum of humour which is planned for somewhere in Canada next year.

I know you have to prioritize. I know there is a pecking order when dollars are scarce, but I just wondered whether the hon. member for Regina—Lumsden would have prioritized in that fashion to take away services from Canada Post, take away from some other agencies which we thought were doing a pretty good job for Canadians and plug in a bunch of money for something called a museum of humour? Would he react to that?

Mr. Benjamin: If I thought for one moment that the museum of humour would have some of my corny jokes in it, I might go along. No, that is not a priority. I do not put that at the top of the list. It is nice to have and when we can do it, we will do it.

I want to remind my hon. friend too, that all these different agencies in Atlantic Canada and the prairies are patchwork. We need a national effort, like the one for the declaration of war, directed to rebuilding our economy and full employment. If you did that you would not need all these little jerk-water operations that do good work but ain't going to solve anything.

We need more than that. We need a national will. My goodness, you cannot let this country go down the drain because we are worried about the deficit. "It's only money", as my mother used to say when she was financing her restaurant, borrowing everything she could find. It is only money. It is our money and it is our country and we can do it and we will do it again. I would not make the museum of humour a top priority. If we do not build it for another three or four years, tough cookie.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I would like to ask the hon. gentleman in the House who talks of his last budget but not the last time we will hear from him. I could probably say it might be my last budget in this House too since I am not coming back.

Reading today's *Globe and Mail*, one of the business commentators said: "Infatuation with infrastructure, costly". And he compares it to a sky-deck or something like that in downtown Toronto.

Just for the record, and before the weekend comes and maybe just to enlighten some of the people opposite, infrastructure to me coming from the east might be roads, sewers, water systems, things that affect the environment. It might mean a war. It might mean an improved access for business to go into a community because those services are there. Where Toronto has become so costly it might help someone outside of Toronto to attract business. Would he like to comment on such a stupid statement out of downtown Toronto that would support this government?

Mr. Benjamin: Mr. Speaker, I am sorry to hear that the hon. member is not going to run again because I think she has been a good member. I wish she would run again, but for a different party.

When I listen and read the commentaries of the business community I think we have to tell them as a nation and as a government and as a Parliament of Canada what must be done. You must co-operate and we want you to do it voluntarily. You are going to invest.

If you are not prepared to do that voluntarily, and it might mean you take a little smaller dividend and less in corporate executive salaries and expense allowances, we will give you two choices. It is either compulsory or you have to.

Because we did that during the war. The business community was told in no uncertain terms: "We are going to bust your ass". It was either compulsory or they had to. The War Measures Act covered the whole thing. They did and they did a marvellous job.

The self-serving comments and demands by the business community, most of whom I would not hire to run a chicken coop because they take turns going broke, con lenders into giving them money and they do not know what the hell they are doing. I suspect that half the bankruptcies we have had they brought on themselves. When banks are writing off loans——

The Acting Speaker (Mr. Paproski): I regret the member's time has expired.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I appreciate the time of the House for this point of order.

I have spoken to all the parties in the House including the independents and I believe I have the unanimous consent of the House of the following motion.

> That notwithstanding any Standing Order and the usual practice of this House, motion M-22 be dropped to the bottom of the order of precedence and the ordinary hour of daily adjournment on Friday, February 28, 1992 be deemed to be 3 o'clock p.m.

The seconder is the member for Vancouver East.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it agreed?

Mr. Hicks: I would like to confirm that consultations have taken place. The government side is in agreement.

The Acting Speaker (Mr. Paproski): There has been agreement or are you withholding agreement?

Mr. Shields: It can be brought forward maybe after the vote tonight or before the vote tonight to confirm.

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

Some hon. members: Agreed.

Motion agreed to.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I was a little bit disappointed in my friend from the NDP who spoke earlier.

I was disappointed in some of the remarks he made because I think he was talking about businesses and how businesses do not contribute to the economy of the country. He was using this old rhetoric of robber barons and that kind of thing. He said that businesses should be forced to voluntarily cut back so that they do not make profits or take much less profits. Therefore it would help the country to get going.

The member might disagree that is what he said but certainly that is what comes across.

I would like to suggest that businesses in the community and in the country, particularly public companies, are financed primarily not just by the banks as my hon. friend would suggest, but by pension funds. Many of the shares of public companies or many of the companies which trade on the stock market, are held by pension funds.

Where do these pension funds come from? They come from the major unions in the country. Let us put something on the table which I think is very important, something that seems to go beyond the thinking of the New Democratic Party which really represents labour. I cannot understand this fallacy it keeps talking about of big business taking all these returns or the banks. They always talk about the banks making these profits that are absolutely obscene. This is the kind of thing we hear. Those same banks are owned by shareholders, who are union membership by way of their pension funds.

• (1740)

If you do not get a return on investment from a public company primarily owned by pension funds and individual investors then the return is not going to come to the pension funds like all those that are subscribed to the pension funds would want them to be. Think about that for a moment. It is all intertwined. You cannot say that one part of the economy is not pulling its load while another part is.

Another thing the member said which I would like to take issue with is that it is our money. It is not our money. We are so interwoven in the international monetary community that we totally depend on the international monetary community to loan us money on a short-term and a long-term basis to keep the economy going because we have a massive debt, a debt that has accumulated by compounding interest since 1984, when it was something like $190 billion to $200 billion, and now it is over double that.

It has not doubled because this government did not curtail spending. It has not doubled because we put up the printing presses and started pouring money into the economy. It has doubled because of compound interest. People will never forget that when we took office in 1984 the government of the day was borrowing $16 billion to live. We had to borrow it to pay old age pensions, to pay health care, to pay family allowances, and to operate government.

By raising taxes, which is one thing, and mainly through a 75 per cent cut in government expenditure we have turned that around from being $16 billion in the hole every year to the point where we now have approximately $10 billion more each year than we really need to operate the government. However, that $10 billion goes to pay the interest on the debt.

It means that we do not have to borrow $10 billion to pay the interest. Instead of borrowing $45 billion to pay the interest we are borrowing $35 billion. They fail to remember that.

They talk about the budget not being sensitive to people. Let me go back to the compound interest and show how it has pushed up the debt. The national debt in 1984–85 was $206 billion. Compound interest on the 1984–85 debt was $239 billion. We had an operating surplus for the year 1984–85 of $25 billion giving us a total national debt of $420 billion.

We keep hearing from the Liberals and the NDP: "Spend our way out of this. We have to really spend some money and start throwing it around". If we do that we increase the debt. If we do that we destroy the confidence of the international monetary community. When we try to bring investment into the country they say: "No, no. We don't want that". That is the Argentine solution, hyper-inflation. That is the kind of thing that happened.

I want to tell my hon. friends that I was there when this was attempted by the opposition party, the Liberal government, with the support of the NDP. In the early 1980s, when we had a recession, I saw interest rates go up to 25 per cent and I paid them in my business.

I know what happened in my business. As a result of that I lost everything I had worked for until that time,

everything. I lost absolutely everything because interest rates went to 25 per cent, and we lost two western banks because of those rates. That is what happened.

It should never happen again. This government will never allow that to happen again. This government is going to stay the course, and this government has stayed the course. Sure, we are concerned that there is unemployment, but my hon. friend says we should demand full employment. What do we do? Do we do it by government decree? We saw that in the U.S.S.R. We saw what happened with a forced economy in the U.S.S.R. It no longer exists. I want to tell you, Mr. Speaker, that is not the position this government is going to take.

Mr. Benjamin: Stuff a sock in it.

Mr. Shields: Well, that is interesting. Let's see what happens when interest rates come down. Today the dollar went up. Today the dollar is stronger. Interest rates have come down. I understand they have come down by 30 basis points.

Just a few years ago we were paying 14 per cent or 15 per cent on one-year mortgages. We have now brought them down to just a little over 8 per cent, 8.5 per cent.

What is the impact of lower mortgage rates? I will tell you what they are. Based on a $75,000 mortgage, the payment at 14.5 to 15 per cent was $893.91. That has dropped to $584. That is the payment. That is putting money into the pockets of individual Canadians who can go out and spend it the way they want to. That will create jobs in small businesses. That will create jobs across the country.

The Acting Speaker (Mr. Paproski): Order. It being 5.45 p.m., it is my duty to interrupt the proceedings pursuant to Standing Order 84(4) and put forthwith every question necessary to dispose of the amendment to the amendment now before the House.

The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment to the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

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

(*Division No. 109*)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Axworthy (Winnipeg South Centre)	Bellemare
Benjamin	Berger
Blaikie	Bouchard (Lac-Saint-Jean)
Boudria	Brewin
Caccia	Chrétien
Crawford	Dingwall
Duhamel	Flis
Gaffney	Gagliano
Gauthier	Gray (Windsor West)
Harb	Harvey (Edmonton East)
Hunter	Jordan
Karpoff	Kilger (Stormont—Dundas)
Kristiansen	Langdon (Essex—Windsor)
Lapierre	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacLellan
Maheu	Manley
Marchi	Marleau
Martin (Lasalle—Émard)	McCurdy
McLaughlin	Mitchell
Murphy	Ouellet
Parker	Peterson
Prud'homme	Riis
Simmons	Skelly (North Island—Powell River)
Stewart	Taylor
Tremblay (Rosemont)	Venne
Waddell	Walker
Wappel	Whittaker—58

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford

Cole
Cook
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Jelinek
Joncas
Kempling
Landry
Larrivée
Lewis
Loiselle
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
McLean
Moore
Collins
Cooper
Corbett
Couture
Danis
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hockin
Holtmann
Horning
Hughes
James
Johnson
Jourdenais
Koury
Langlois
Layton
Littlechild
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McDermid
McKnight
Merrithew
Mulroney
Nicholson
O'Kurley
Plourde
Pronovost
Reimer
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
White
Wilson (Etobicoke Centre)
Worthy—149
Oberle
Paproski
Porter
Redway
Ricard
Robitaille
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman
Wilbee
Winegard

PAIRED—MEMBERS

Crosby (Halifax West) Nowlan

Mr. Speaker: I declare the amendment to the amendment lost.

It being 6.13 o'clock p.m., this House stands adjourned until tomorrow at 10 o'clock a.m. pursuant to Standing Order 24(1).

The House adjourned at 6.13 p.m.

HOUSE OF COMMONS

Friday, February 28, 1992

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1992–93

MEASURE TO ENACT

Hon. John McDermid (for the Minister of Finance) moved that Bill C–61, an act to provide borrowing authority for the fiscal year commencing April 1, 1992, be read the second time and referred to Legislative Committee E.

He said: Mr. Speaker, I welcome the opportunity today to speak on the second reading of Bill C–61, the borrowing authority bill. This is the fourth time that I have had the pleasure of introducing the borrowing bill to the House of Commons.

Before speaking directly to the measures in the bill, I want to put this legislation in its proper context. That context is the budget presented earlier this week by the Minister of Finance, a budget that cuts government spending, cuts taxes, and cuts the deficit. It will help bolster economic recovery and strengthen the international competitiveness of our economy.

Any debate on borrowing authority has to address the deficit and public debt burdens carried by the federal government. The lessons governments everywhere have learned from the recent recession is that never again must governments allow themselves to be financially crippled by debt. Governments cannot stimulate economies with money they do not have. To try to do so by borrowing more would only lead to higher deficits, more debt, higher interest rates, slower growth, and of course increased inflation.

Reducing the deficit was one of the things that Canadians clearly told us that they expected from this budget. As we crossed the country with our pre-budget consultations, meeting people from all walks of life, that was something they told us in no uncertain terms. They also wanted realistic and, I guess more important, lasting solutions to our economic problems. The government has streamlined to meet the realities of the nineties and new opportunities for people to improve their skills and knowledge.

I believe that if people took the time to examine the budget in detail they would realize that the government has responded to these challenges in a budget that takes action to bolster recovery this year and strengthen growth and job creation in the years ahead.

The budget provides help where help is needed, but it pays for that help by reducing expenditures, not by increasing borrowing or taxes. It cuts spending to reduce taxes and bolster economic growth and competitiveness. The budget also ensures significant declines in the deficit for 1992–93 and the following years.

Reducing the deficit is essential for a return to sustained economic growth and new jobs. It is an essential foundation for a return of confidence at home and abroad. It will ensure a strong recovery.

• (1010)

We have made substantial progress since 1984 in cutting the deficit almost in half as a percentage of our economy's annual output of goods and services, from 8.7 per cent to 4.6 per cent. The majority of this progress has been achieved not through higher revenues but by restraining spending. Since 1984 the government has rigorously controlled growth in spending on programs and services, keeping it below the rate of inflation. As a matter of fact the government's own operating costs, the costs to run the government, have been held to an average increase of just 2.2 per cent a year since 1984.

The budget implements a wide range of spending cuts amounting to $1 billion this coming fiscal year, 1992–93, and $7 billion over the next five years. It broadens and deepens the expenditure control plan which we first introduced in the budget in February 1990 and extended last year. It does so in a way that does not affect major transfers to provinces.

Defence spending is being cut by $2.2 billion over the next five years. Departmental non-salary operating budgets are being reduced by 3 per cent. This will save $150 million next year and $800 million over the next five years. The government will restructure and streamline the operations of government to improve both efficiency and service to Canadians. Some 46 agencies, boards, commissions and advisory bodies will be eliminated, deferred or merged with other operations or privatized.

Government communications budgets will be reduced by $75 million per year. The number of government publications will be substantially reduced.

Growth in Canada Mortgage and Housing funds for social housing will be limited to an average of 3 per cent per year.

The Prime Minister and all ministers will have their ministerial salaries cut by 5 per cent beginning April 1. This follows the decision taken last year to impose a one-year freeze on ministerial, parliamentary and public service pay.

I listen to the opposition moan when we talk about the 5 per cent cut. I can remember when members of the Progressive Conservative government took a pay cut back in 1986 or 1987 I believe it was. All members on the government side took a pay cut as did ministers and as did the Prime Minister. It was offered to the opposition parties to do the same thing; they did not take it. They did not take the cut at that time. Now, when we take a cut in salary, they are over there moaning and groaning. They have not experienced it so I can understand why they are moaning and groaning over there.

Maybe it is because they cannot travel first class any more, maybe that is why they are moaning over there. First-class travel for MPs, senators and senior public servants already restricted will now be eliminated and international travel will be reduced as well.

I boarded a plane in Toronto to go to Montreal three weeks ago and the only passengers in first class were two NDP members. The Liberal member who was on the plane and yours truly were at the back.

An hon. member: I was at the back with you.

Mr. McDermid: That is right, exactly, but who was riding up there? The socialists were riding up in first class. They cannot do that any more. None of the members of the House of Commons can do that any more.

Mr. Angus: Mr. Speaker, I rise on a point of order. As one of those two members who were riding up front, I want to make it very clear that we were upgraded for free by the carrier because we had to fly to Montreal instead of Ottawa, which was our planned destination.

The Acting Speaker (Mr. Paproski): That is not a point of order; that is a point of debate.

Mr. McDermid: Mr. Speaker, certainly I did not mention any names, but if he wants to admit that he was up in first class I might point out that there was lots of room in business class and in economy on that same plane. Now that was a benefit provided the hon. member by a private company, Air Canada. I wonder if he reported that to the desk up here. Listen, these socialists, I have to tell you; great fun.

Let me get back to my comments if I might. In addition, the government will strengthen the cost recovery and act more aggressively to collect outstanding tax liabilities. We have outstanding tax liabilities of some $8 billion of which $4 billion are uncontested. This is money owing, not to the government but to the taxpayers of this country.

Crown corporations no longer required for public policy objectives will continue to be privatized. We have privatized over 24 corporations so far, returning about 50,000 to 60,000 employees back to the private sector. I think this is very important, and we will dispose of surplus assets as well.

As a result of these and other streamlining actions, the government will reduce overlap and duplication both within the government and within the private sector. A number of measures will also be taken to improve service to the public. The government will continue to make the tough choices necessary to manage our program expenditures within the limits of the proposed spending control act which was announced in last year's budget.

Over the next five years total program spending will grow on an average by only 3 per cent a year. These budget measures are being implemented with a responsible and a prudent fiscal plan. It is important to understand that reallocating resources to meet new priorities will not compromise deficit reduction.

The deficit will be substantially reduced. It will be held to $31.4 billion in the 1991–92 fiscal year which ends in another month. It will be reduced by almost $4 billion, to $27.5 billion next year and another $5 billion in 1993–94, to $22.5 billion.

The net public debt will begin to shrink as a proportion of the economy in 1993–94, and that is the first time that has happened since 1973–74, 20 years ago.

Mr. Peterson: Promises.

Mr. McDermid: Look, I listened to the hon. member for Willowdale whose brother when he was premier increased spending by government at 10 per cent a year over the four years he was in there. If anybody knows about government spending, it is my hon. friend from Willowdale. It probably runs in the family.

Continued spending restraint will help bring about a major reduction in government borrowing.

Mr. Peterson: Get out of the dirt; elevate the level of this discussion.

Mr. McDermid: Listen to him bleat, listen to him.

The government's financial requirements will be reduced to zero in 1995–96. The government will then begin to reduce its outstanding debt in the financial markets for the first time since 1969–70.

Let me now turn to Bill C–61. Like borrowing bills in recent years, this bill contains three basic elements: financing authority to cover the financial requirements for 1992–93, exchange fund account profits, and a contingency reserve.

In total, the government is requesting authority to borrow $24.7 billion for the 1992–93 fiscal year. In addition, there is a provision for an additional borrowing authority of $3.9 billion to provide for the borrowings conducted in this fiscal year under section 47 of the Financial Administration Act.

There are also a number of technical changes to tie the bill more closely to the fiscal year. Let me touch briefly on the main provisions.

First, there is the provision for authority to cover our anticipated requirement for borrowing to meet the net financial requirements set out in the budget.

Second, there is a provision in the bill to cover exchange fund account earnings which gives rise to additional Canadian dollar borrowing requirements. This is because these earnings are retained in the exchange fund account to provide the government with the capacity to intervene in foreign exchange markets.

Third, there is a $3 billion reserve, the same amount requested in borrowing authority bills of the last five years. This reserve provides for unseen contingencies such as foreign exchange transactions, seasonal swings in borrowing requirements, and delays in passing the future year borrowing authority act.

As I indicated, there is an additional provision this year to cover the refunding of bills issued in 1991–92 under section 47 of the Financial Administration Act up to a cap of $3.9 billion. The 1989 act had a similar provision without the cap. Members should note the bill provides that were we to issue less than the $3.9 billion requested the residual would be deducted from the 1992–93 authority.

• (1020)

As reported in the budget, financial requirements for 1991–92 increased by $5.9 billion. With the $3 billion contingency reserve already provided, we are requesting $3.9 billion of additional authority. This includes a $1 billion reserve against uncertainties associated with factors such as foreign exchange transactions. Within this clause, refundings of bills issued under section 47 authority would be charged against regular 1992–93 borrowing authority even though the money was raised in 1991–92.

The bill also contains some minor technical changes that more clearly link fiscal year borrowing authority with the fiscal year borrowing requirements. One provision provides that 1992 borrowing authority may only be used after the 1992–93 fiscal year begins. Another provision stipulates that the borrowing authority cover the full fiscal year beginning April 1, thereby ensuring refunding authority for the securities maturing in the fiscal year 1992–93 but before the bill receives royal assent.

This bill has another set of standard provisions. They provide that on March 31, 1993 any unused borrowing authority under this bill over $3 billion will be cancelled. This preserves the government's non-lapsing reserve into the next year in case new borrowing authority is not provided before the start of the next fiscal year.

Of course, it contains the similar $3 billion reserve granted in last year's borrowing authority on either March 31 of this year or the date the bill comes into force, whichever comes later.

As background I would like for a moment to review the government's debt operations in the current fiscal year up to the end of January. At this point, in the domestic debt program, about $26.8 billion in net new market debt has been issued. Of this total, $14 billion was in the form of marketable bonds. Of these, 78 per cent were sold at auction which we have found to be a cost effective method of distributing the bonds. By the end of January, $10.25 billion new funds had been raised by treasury bills.

I would also like to report to the House on last fall's Canada savings bond campaign. That campaign, with bonds bearing interest at 7.5 per cent generated total sales of $9.6 billion, an increase of $2.9 billion from last year. After taking into account Canada savings bonds that matured or were redeemed in the period, the campaign yielded a net amount of about $3.5 billion. Taking into account all redemptions so far in the fiscal year, the stock of Canada savings bonds outstanding has increased by about $2 billion. Canada savings bonds represent about 10 per cent of the federal market debt outstanding.

In closing, I would like to remind the House once again that the government has been operating under section 47 of the Financial Administration Act since January 28 of this year, for about one month now. Various factors contributed to this, particularly the increase in financial requirements, as reported in the budget. It is therefore important that Bill C-61 be considered in a timely manner.

I wish to remind members that until the new borrowing authority is in place, only short-term debt instruments can be sold and the government cannot maintain the desired balance of short and long-term debt in its debt program. This balance is carefully designed to achieve the objectives of cost minimization and reduced exposure to increases in debt service changes.

The amount of borrowing authority requested in the bill is directly connected to the budget and the financial requirements stated therein. The information required to deal with the financial aspects of the bill is set out in the budget documents.

I therefore urge the House to proceed with this legislation as quickly as possible so that new borrowing authority will be in place at the beginning of the new fiscal year and the government's regular borrowing program can proceed as the fiscal year begins.

The government's record spending restraint and deficit reduction offers sound testimony that the government's finances are being handled prudently and responsibly. I urge all members to support this bill.

Mr. John Manley (Ottawa South): Mr. Speaker, I welcome this opportunity to address the House on the matter of Bill C-61, whereby the government seeks the authority of the House to borrow $24.7 billion to finance the massive deficit proposed again this year by the Conservative government.

Well the government is at it. It is seeking to pick-up an extra $3.9 billion which was the amount that came up short last year so poor was its forecast. This bill can only be considered in light of the 1992 budget presented on Tuesday by the Minister of Finance, the first budget of this new minister.

It seems a shame that this minister who, by all accounts from his colleagues on the government side of the House, confirmed by some who know him on this side, is a much nicer, more empathetic person than his predecessor. It seems a shame that his first budget must be delivered at a time of very weak economic performance, not to mention startling, indeed, wrenching change.

No one could envy the budget-making task that confronted this Minister of Finance in the face of the legacy he inherited from his predecessor. What a legacy it was. The annual deficit has not been reduced since 1986-87. The accumulated debt of the federal government had more than doubled from about $186 billion in

September 1984, when his predecessor took office, to about $400 billion when this minister took charge.

The economy, though technically having come out of the recession in the second quarter of 1991, continues to be very weak as unemployment remains high, bankruptcies are occurring in record numbers, consumer confidence remains low, particularly in the industrial heartland of Ontario where the provincial NDP, trapped by their own discredited socialist dogma, compounds the ineptitude of a federal government with pigheaded stupidities such as soaring deficits and an anti-business legislative program which will clearly drive new investment and existing business out of the province.

So on to this battlefield, littered with the casualties of the Wilsonian era, strides our new minister relying, as he said in his speech: "on the counsel and support of the Prime Minister". This reliance makes it very difficult to share the minister's down to earth optimism, and I quote: "which he urges later in his speech".

As I look at last year's budget speech I was dismayed to be reminded that the former minister took us into this past year of dismal economic performance, plant closings and bankruptcies with these words: "We must not lose sight of the fact that a strong foundation exists for optimism." That the former minister was optimistic cannot be denied. This is what he promised: "We will hold the deficit to $30.5 billion this year and next despite the pressures of the recession. In 1992–93 with recovery and lower interest rates, the deficit will fall below $25 billion for the first time in a decade."

Instead of $30.5 billion this year's deficit is now expected to come in at $31.4 billion. For the coming year, instead of the $24 billion predicted last year the deficit is expected to be $27.5 billion.

What makes the former minister's predictions even more ridiculous is the fact that the government has been assisted in its deficit battle by lower than expected interest rates. Interest payments on the public debt are $1.7 billion lower in 1991 and are expected to be $3.8 billion lower than previously predicted in 1992–93.

In other words, the former Minister of Finance, the wizard of Etobicoke, Bay Street's answer to Jean Dixon, over-estimated his operating balance by $2.6 billion for 1991–92 and $7.25 billion for 1992–93.

I hope that the new minister's down to earth optimism is better founded in reality than that of his predecessor. The record of his government in making such projections is dismal at best. I go back to his predecessor's statements in 1984 when he said that if the current policies, the ones that he inherited from the previous government, continued that the debt by the end of the decade of the 1980s would be approaching $400 billion. In fact, by 1990 he said it could approach $410 billion. Here we are in 1992 and by the end of this current fiscal year, March 31, the debt should be at about $419 billion. Again and again, over the course of his years as Minister of Finance, the previous minister talked about deficit reduction and controlling the debt. He talked about it in his November statement in 1984, just after the first election. He talked about it in the 1985 budget, his first budget presented as Minister of Finance.

• (1030)

At that time, in that budget, he talked about and I quote: "a clear and realistic medium-term plan". In that 1985 budget with its clear and realistic medium-term plan he said that the budgetary deficit which had been anticipated for 1984–85 to be at $36 billion would be reduced by 1990–91 by $20 billion. In other words, he was projecting back then his clear and realistic plan of a budgetary deficit for the year ended last March of about $16 billion. What did he accomplish? He accomplished a deficit in reality of $30.5 billion.

In his 1986 budget the minister had adjusted his projections into the future that he had made previously in his realistic and medium-term plan. By 1986 he thought that by 1990–91 we would have a deficit of $22 billion. Therefore, he was about $6 billion closer as it turned out a year later. And on it goes.

By 1989, after the election, he was no longer offering clear and realistic plans. He was offering, and I quote: "an ambitious five-year fiscal plan". Perhaps, because his projections had been so bad in his realistic plan, he thought by calling it ambitious it would give him a little

bit of an escape hatch if he missed on his projections that time around.

What he projected then was a budgetary deficit in 1990–91 of $28.5 billion. He was off by $2 billion as it turned out. He thought by 1993–94 it would be $14 billion and by 1994–95 he thought it would be $10 billion. Well, what happened under the ambitious five-year plan?

In 1988–89 we had a deficit of $28.7 billion. In 1989–90 we had a deficit of $29 billion. In 1990–91 we had a deficit of $30.5 billion. In 1991–92 we are expecting a deficit of $31.4 billion. Under the five-year plan for reducing the deficit, it rose from $28.7 billion to $31.4 billion. I guess that is what that minister might call progress. With that legacy it troubles me when I get out the 1991 budget and this year's budget and see the five-year projections. There is no adjective for the projections, neither clear and realistic nor ambitious.

Here is what they said last year was going to happen and what they are saying this year is going to happen. Last year they said that between 1991–92 and 1992–93 the deficit would drop by $6.5 billion to $24 billion. This year they are saying that it will drop to $27.5 billion. Last year they said it would drop to $16.6 billion in 1993–94, now they are saying it will drop to $22.5 billion in 1993–94. Last year they said it would drop to $10 billion in 1994–95, now they are saying $14.5 billion in 1994–95. Last year they said it would be down to $6.5 billion in 1995–96, now they are saying $8.5 billion. If the former minister had achieved what he set out to achieve in 1984, we would not be looking at these large numbers today.

What is the history behind this? We had in the 1980s a period of exceptional economic growth, continuing and prolonged. I am sure the current minister would agree that the idea is to reduce the deficit in good times so that you have the resources to fight recessions in bad times. What happened in the good times of the 1980s? This government talked about deficit reduction and managing, while increasing taxes many times to increase the deficit virtually every year, year after year. At the same time it managed to reach the targeted debt which the bad old Liberals would have produced if their policies had not been changed in 1984. In other words, the government failed totally in what it claimed to be able to do and what it set out to accomplish.

There are some other fundamental concerns about the economic policies that have been pursued by this government and its ability to achieve economic projections based on what it has done in the past. Let me start by going back again to that 1984 statement by the former minister.

I am sure you have heard, Mr. Speaker, that the government has alleged that when it came into office, the deficit was $38 billion. It has been said many times on the other side of the House that was the deficit at the end of the fiscal year 1984–85. This government was elected half way through that year. When the Minister of Finance came into the House in November, having looked at the books, he proposed a number of serious policy changes. He said that had he not proposed those changes, and I quote: "With no policy changes the deficit for this fiscal year would be $34.5 billion". That was in November 1984.

By the end of March 1985 he had managed to run it up to $38 billion. Then he spent the last seven years going around Canada claiming that the Liberals had left a deficit of $38 billion.

Let us look at what has been happening throughout the mandate of this government. We have experienced a recession over the last year and a half that was clearly induced by the need claimed by this government to pursue a monetary policy that would control inflation. We have to ask ourselves how we got into inflationary times five years into the mandate of this government.

I suggest that the answer lies in the decisions made in 1987–88. It was a very rapidly expanding economy in those years, with growth in 1988 of almost 5 per cent. What policies did the government pursue at that time? It pursued policies of tax cuts with the first phase of tax reform in 1987, coming into effect in 1988.

You will recall that interest rates began to rise sharply at the end of November 1988. I find it more than a little strange that when the economy was growing that quickly that prudent managers of the economy would bring in both tax cuts and a relaxed monetary policy. Is it mere coincidence that we had a general election on November 21, 1988? I do not think so.

I suggest that more prudent policies pursued in the mid-1980s by the present government might have been less popular at election time but would have preserved

the growth in the economy on a more sustained basis throughout 1990 and 1991.

I have gone on at some length about the numbers in past budgets and projections. We can do a number of things with numbers. What I believe these drastic miscalculations demonstrate is the incompetence of this government, not just in predicting—I think that is documented—but also in managing the economy. In fact, it now seems clear that the previous minister, together with the Governor of the Bank of Canada, committed some grave errors in the past year. In last year's budget the Minister of Finance promised that strong economic growth would be secured. He said:

• (1040)

> Real output will expand by 3.5 per cent in 1992 and average 4 per cent in the medium term. Real personal disposable income will grow steadily throughout the period. Employment growth will begin in the second half of this year and will strengthen in the years ahead.

We now know that the economy shrank in 1991 and that the government is projecting growth of 2.7 per cent in 1992. Real personal disposable income declined in 1991 and is now projected to grow at a rate of less than 1 per cent in 1992. I believe that the economic difficulties of the past year have been in large measure due to the fiscal and monetary policies pursued recently by this government. Last year's budget has proven to be, as the Toronto-Dominion Bank said at the time: "probably the most inept and destructive budget since the 1930s".

The combined spending cuts and tax increases of the 1991 budget both prolonged the recession and caused the deficit projections to be so far off the mark as to be laughable. In addition, the 1991 budget contained the joint statement of the Minister of Finance and the Governor of the Bank of Canada setting inflation targets. At the time, the inflation targets appeared very ambitious, particularly in light of the minister's promise of "a strong rebound in growth in the second half of 1991".

As we now know, the government actually exceeded the inflation targets, causing severe and potentially lasting harm to the economy in the process. The fact that the government overshot its own inflation targets explains a good deal about why the recovery, if you can call it that, has been so pitiful and why the Canadian dollar has remained so high.

The finance committee recently completed the study of the mandate of the Bank of Canada. In the course of that study, we heard a great deal of expert opinion on monetary policy. While our committee recommended against a narrowing of the Bank of Canada's mandate to limit it to the pursuit of price stability, we definitely agreed that inflation should be kept low. To question the monetary policy of the government over the past year is not, I wish to stress, to favour inflation. The issue is how quickly can you reasonably move from high to low inflation.

In January 1991 the year over year consumer price index inflation rate stood at 6.8 per cent. The budget, on the strength of the joint statement of the governor and the minister, foresaw an annual inflation rate of 5.6 per cent in 1991 and 3.2 per cent in 1992. The actual rate for 1991 was 4.1 per cent and for 1992 it is now projected at 2.7 per cent.

The inability of the government to moderate monetary policy soon enough to avoid causing such rapid disinflation, indeed in some sectoral prices deflation, has I believe caused the recession to be worse than what otherwise would have been the case, aggravated the deficit and has cost the jobs of tens of thousands of Canadians.

Our new minister inherited a mess. Last year's budgetary stance proved to be based on wrong assumptions, thus making the recession longer and deeper than it might otherwise have been. Any relaxation of monetary policy was demonstrably too little, too late. That brings us to this year's budget.

Any budget is a chance for a fresh start, but a first budget from a new minister is a chance for a real new beginning. What a disappointment. There is nothing here to suggest that the government has in any way repented of its past and embarked on a new road with renewed vigour. This is the tired budget of a tired government, perplexed by the problems that confront it, though many are of its own making, showing no vision, no imagination, not even comprehension of the difficulties Canada must tackle before the end of a century.

Why should we be surprised? After all, this is the government that hired a Harvard professor at great expense to tell us that Canadian competitiveness is lagging, that has set up an expensive consultative process to ask Canadians what to do about it, headed by the same

Bay Street minister who as finance minister contributed so much to making us uncompetitive.

One commentator said about this budget: "Nothing broken, nothing fixed". If this budget is judged a political success by government members it is because no one was left beaten up by yet another tax assault on his or her wallet.

What should worry us all is that this new minister did not reveal any strategy for attacking the big and serious problems confronting the Canadian economy. The essential problem is the failure to create wealth at the same rate as we are consuming it.

Until recently in Canada, standards of living were improving and people were feeling good about the possibility of realizing their expectations for themselves and their families. Recently, however, people became aware that something was going wrong. The evidence of the distemper that arose from this sense of disquiet is easy to find. It can be seen in the revulsion against paying taxes, in anger at politicians, in polls that, for the first time, show that Canadians do not expect their children to be better off than they are.

The combination of our enormous natural resource wealth and the post-war industrial boom contributed to our false sense of assurance that things would just keep on getting better. Standards of living increased rapidly during the decades of the 1950s, 1960s and 1970s, both in terms of the level of personal consumption and the level of state supplied services. Our ability to produce wealth in North America was such that in the 1950s and 1960s wealth doubled every 22 to 23 years.

By the 1980s the rate of growth had slowed to the extent that it would double in about 90 years. Statistics Canada has told us that in the 1980s real family incomes in Canada remained stagnant. Meanwhile, the government's financial predicament has continued to degenerate to the point that almost 35 cents of every tax dollar paid to the federal government goes to just pay interest on the federal debt. No wonder Canadians feel they are not getting their money's worth for their taxes. The reality is that they are only getting 65 cents worth of services for every dollar they pay.

For Canadians, I believe the issue is very simply whether Canada will be able to martial its human and financial resources, not just its natural resources, over the next decade to ensure that we are capable of providing goods and services that other nations of the world are not only willing to buy from us but for which they will pay us a lot of money? In other words, will Canada be able to compete in those key industries in which technology, skills and innovation are important and well rewarded? Will the jobs created in Canada over the next generation be high wage or low wage jobs?

This has never been a worry for Canadians before so it is truly a new generation of problems in search of new public policy solutions. The rapid intensification of competition for jobs among Canadians stems from trade liberalization and technological change, but also from the fact that a whole new set of players in this competition is emerging, some in the Far East and some in the emerging nations of eastern Europe. The speed with which we are being confronted by change in many ways is more than vaguely disquieting. In politics and in business, change is rapid and consequential.

One does not need to look beyond our own borders to recognize that significant political change is likely to occur and that its consequences for our economy may be quite wrenching. While people may sometimes claim to like change and even to desire change, in reality people tend to resist change.

The modern age is thrusting change upon us. In the last federal election the Prime Minister campaigned on the theme of managing change. He may have even won the election because he was able to identify the fact that Canadians both feared change and recognized its inevitability and so wanted to be reassured that the man in charge would not let change simply sweep away all they considered important and comforting but that he would manage it. That is, he would slow it where possible and mitigate its consequences.

The pillars of Tory economic policy—deficit reduction, a free trade agreement with the United States and the GST—are not methods of managing change. The Tory strategy, as I believe even the government would describe it, has been to try to get the fundamentals right and then stand back and let market forces hold sway.

• (1050)

This *laissez-faire* approach has its advocates, but that is not what was promised. It is not managing change, it is letting change manage us. This idea that you can get the fundamentals right and then go out and win in the open market suggests to me the analogy of a hockey team owner with lots of money who goes out and recruits the best players for his team. On paper it looks great—high scoring forwards, tough defence, and great goal tending—but if he sends his team out on the ice without having the players practice together and without a strategy to defeat the opposition the result will probably be disappointing.

In a sense, that is what is happening to Canada at the present time. Eliminating barriers to trade was one of the fundamentals of the Tory economic strategy. So what did the government do? It made a deal. It signed Wayne Gretzky, or at least it thought it did, by getting a free trade deal with the United States. The government said: "This guy will score goals for us. Just watch".

Gretzky sat around all summer and got fat. He did not bother with the physiotherapy on his back. The coach wanted to pamper him a bit so he let him report late to training camp. Did he score any goals? A good junior A team would have checked him out of the game.

The free trade agreement was signed when the Canadian dollar traded at 76 cents U.S. No one had even thought about what might happen if it reached 88 cents. There was a promise that there would be massive adjustment programs to retrain workers whose jobs were displaced by the FTA, but these were never delivered. Three years after the FTA came into effect we are still arguing about the reduction of trade barriers between Canadian provinces. In other words, we threw ourselves into a highly competitive game without even having played a house league game under the new rules in our own rink.

While the fundamentals are important, there also must be a broad strategy for fitting the fundamentals into the over-all social and economic agenda.

Think about what Canadians were asked to deal with. They had to deal with a U.S. free trade deal without an adjustment strategy, at the same time as other global competition with our manufacturing sector was intensifying; high real interest rates in comparison with U.S. rates being maintained in an effort to achieve zero inflation, after years of expecting a certain amount of inflation; and a new visible sales tax at the consumer level while the Canadian dollar was soaring in value relative to the U.S. dollar. Canadians had to deal with all of this in the midst of a recession and a constitutional crisis.

This is not my idea of managing anything, let alone managing change.

We all need to acknowledge that Canada faces some very difficult adjustments if it is going to maintain its standard of living. Of all the powers that governments may have at their disposal one is not the power to turn back the clock. The task of government, as Liberals were told at our Aylmer conference awhile back, is to represent the future to the present. It is not to strive to bring back the past. We must prepare ourselves for the task of moving forward.

Mr. Speaker, I will not bore you with statistics pointing out how precarious our position is becoming as a competitive nation in this global economy. Let us instead remind ourselves that we continue to enjoy one of the highest standards of living in the world, the second best quality of life in the world according to the UN, and one of the highest labour productivity rates in the world.

The fact that other countries are catching up is the inevitable consequence of the globalization of technology. The anxieties I mentioned earlier are in part the consequence of change and in part the result of the failure of Canadians to produce enough wealth to pay for our current consumption.

Although we have the seventh largest economy in the world, Canada is the world's second largest debtor in absolute terms after the United States. Our domestic savings are unable to meet the needs of our economy for new investment, feeding the insatiable appetite of governments at all levels to borrow.

I believe that this collective living beyond our means is at the core of some of our discontent. If we are to avoid continual wrenching adjustments to the standards of living we have all come to expect, beginning with the level of government services, we need to make a number of very fundamental changes to the way we look at things. These changes will require two things that have

been lacking for too long at the federal and provincial levels: moral leadership and a clear sense of direction.

By moral leadership I mean simply that political leaders have to start telling the truth. It is very doubtful that people can be bought with old-style election promises anymore. Politicians are becoming more clever and cynical.

In this pressure filled, complex world we all want to offer hope. However, this often comes in the form of over-simplified solutions to the problems of the day.

It has been said that for every complex problem there is a simple, plausible solution that is wrong. As long as we keep offering up simplistic solutions people will continue to be cynical. Frankly, all political parties engage in this from time to time.

I believe that people want to be treated like adults and told the truth. More important, if we are going to summon the will as a nation to meet the challenges of the coming decades our people must understand the nature of those challenges.

What about a clear sense of direction in the context of looking at things differently? Obviously, if you do not know where you want to go you will never figure out how to get there. Sooner or later in this country we must agree on a vision of our economic future, if we can fit it in while we argue over our conflicting linguistic and cultural visions.

First, we should commit ourselves to striving to be the best, if not the best in the world at least the best in North America. We have had enough of being a bronze medal country.

As a nation, we should adopt qualitative excellence as our standard of performance. The challenge of overcoming mediocrity is a difficult one to meet. The need to do so was never more crucial however. The failure of this government to set its sights on higher objectives, to get beyond the mumbo-jumbo of deficit reduction targets that are never met is the failure to inspire Canadians. This failure has cost us greatly as a nation.

Second, Canada's commitment to education should be unequivocal. This is one of the areas in which we are getting ourselves into trouble. While we seem to spend a great deal on education our product, especially in the areas of math and natural sciences, is showing clear signs of being woefully inadequate. We must train our people in the skills they will need to perform the good jobs of tomorrow. It is not good enough to let them elect their way into menial jobs because that will make all of us poor.

Further, we must demonstrate that we understand that education does not end at the work place door. Canadian business is simply not spending enough on worker skill upgrading in comparison with the U.S., Germany and Japan.

Third, Canadian governments must invest in infrastructure. Our transportation and communication infrastructure must be continually maintained and upgraded for the sake of our future prosperity.

Fourth, we must be prepared to make the tough decisions to focus our resources strategically. Government spending on infrastructure and research and development should be highly disciplined and as free as possible from the political pork barrel.

We should play to our strengths, not as a matter of picking winners and losers, but let us make sure that our winners keep on winning and let us stop prolonging the death throes of the losers. This will get us nowhere if the people of Canada do not buy into it. For that to happen it is of fundamental importance that this hard-edged economic strategy include within its reach the need to restore the social contract between Canadians and their governments, and at the same time restore the natural environment whose endowments provided our initial base of wealth.

These three elements, the economy, the social contract and the environment, should be understood as one web of material. Progressive social reforms begin with good economic policy. However a strong and competitive economy requires a healthy and well-educated society. It is no less certain that a strong economy tomorrow requires that we respect the environmental imperative of sustainability today.

• (1100)

Sadly I can find nothing in this year's budget to suggest that the government is trying to come to grips with the bigger, longer term problems that are looming. Think back over the economic news of the past year and ask how the budget reveals a strategy for the problems that have been emerging.

These range from the problems in the resource sector, a fishery crisis, problems in the petroleum industry, agriculture, forestry, mining, through to what my colleague from Willowdale has called the deindustrialization of Ontario, as our central Canadian industrial heartland is reeling from shutdown after shutdown of industries, all these shutdowns being of a permanent

nature. Finally, we have our retail sector staggering from the GST, cross-border shopping and the fears consumers have about their futures.

This budget offers no strategy for the future with respect to these difficult and major challenges. Instead, it is full of the same tired old rhetoric that rings so hollow.

In essence, it is not the borrowing bill that deserves to be defeated, nor really is it the budget which, standing alone, is a bland and forgettable one, it is, in fact, the government that deserves to be defeated, cast aside on to the scrap heap with much of Canada's economy laid waste by previous budgetary follies.

The Acting Speaker (Mr. Paproski): It being 11 o'clock, pursuant to Standing Order 35, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

REPORTER IAIN HUNTER

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, after 20 years on Parliament Hill, Iain Hunter, a veteran reporter who is well-known in this country, leaves his busy life as a journalist on the Hill, apparently without regrets.

Mr. Speaker, the man who struck fear into the hearts of politicians and public servants at all levels and who in his own way shaped Canadian political life during an entire generation, will put down pen and notebook at the close of proceedings today.

As a Canadian reporter, Iain Hunter has an international reputation for his portraits of politicians. I am convinced that if Hitler had had an Iain Hunter in his press gallery, concentration camps would never have existed because he would have condemned them outright in his tireless quest for social justice.

I want to ask members on all sides of the House to join me in paying tribute to a man who is appreciated and respected by all Canadians, and in offering our sincere thanks. We wish him every success in his new job as assistant editor for national news at the *Ottawa Citizen.* Congratulations, Mr. Hunter, and good luck!

* * *

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, the concluding phase of the Uruguay round of negotiations at GATT is upon us and the future of 40,000 Canadian family farm businesses is at stake.

Canada's supply management system is the envy of the world, providing producers with a reasonable level of profit. Those producers go on to supply Canadian consumers with a supply of the safest, most nutritious food in the world while carrying on environmentally sound farm management practices for the benefit of all Canadians.

Canadian dairy, egg and poultry farmers are not part of the problem of international surplus, however, many people want to force these people into being part of the solution.

A successful round of GATT for Canada can only be reached if article XI is strengthened and clarified. I remind the government to fulfil its obligations to all Canadians, that is, to obtain a strengthened and clarified article XI.

* * *

THE CONSTITUTION

Mr. Garth Turner (Halton—Peel): Mr. Speaker, over the last few weeks, I have been asking many of my constituents for their guidance and advice.

John Panchyshyn from Burlington writes me: "We need to keep Canada together. I believe in a strong central government but I am willing to bend to keep Quebec in Confederation".

Barry Stewart from Bolton writes, and this is interesting: "Increase the GST. Decrease income tax. Make it a user pay system and you will see a decrease in waste and wasteful citizens."

Peter Egerton from Georgetown writes me: "I would like to see Canada hold together and get out of these ridiculous deficits".

James McMullen of Burlington writes: "The servicing of the huge debt of both federal and provincial governments will continue to turn Canada into a banana republic in a fairly short period. You must curtail and reduce the size of government and social programs, and apply the money to debt reduction".

Mabel Richardson of Burlington writes: "Unless Canada pulls together and stops wasting money, I don't see much of a future for my grandchildren. The taxes we pay should be able to reduce the deficit".

James Fisher of Burlington writes: "If you do nothing else before the next election—

The Acting Speaker (Mr. Paproski): The hon. member for Vancouver East.

* * *

HUMAN RIGHTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, at a time when the economic policies of this government have resulted in an escalation of racism in Canada, this Conservative government refuses to protect equality rights.

Why has the government withdrawn committed funding for the Race Relations Foundation and the Heritage Language Institute, both of which were passed by legislation of this House?

Why has the government withdrawn funds for the Court Challenges Program, a program that is essential to fund test cases to determine equality rights for women, disabled persons and racial minorities under our charter?

Why has the government disbanded citizen advisory boards, groups and councils that advocate changes? Is this a way to stifle criticism?

Why has the government shown no political will to make changes to protect minority rights in our Constitution when so many groups have demanded tougher protection?

This budget proves that the government has no real commitment to human rights. When times are tough for Tories, human rights are the first to go.

UNEMPLOYMENT

Mr. Rex Crawford (Kent): Mr. Speaker, the unemployed workers in southwestern Ontario, the economic engine of Canada, are given no hope whatsoever by the recent budget. Plant closings of Motor Wheel Corporation, National Hardware, Standard Tube and Elan, to name only a few in Kent, have hit hard during the recession.

The budget offers nothing to these permanently laid-off workers and their families. Now the Tories have cut training programs that could have helped in this time of despair. A $100 million cut last year to the Canadian Jobs Strategy and a further $117 million slash to training programs mean more people falling between the cracks. The few programs left are only for those getting unemployment insurance. What about those workers who are off UI, who want to work, who are qualified but cannot apply?

The Tories have forgotten about them. Let us have a government that cares about people.

* * *

[*Translation*]

TAXATION

Mr. Gaby Larrivée (Joliette): Mr. Speaker, in recent weeks I received a number of letters from my constituents about the Canadian government's family policy. My constituents wrote to stress tax inequities between married couples and common law couples, and their concerns were entirely legitimate.

I would now like to inform the people of Joliette that the federal government has acted in response to their wishes in its latest budget. The federal budget will apply the same tax treatment to married couples and common law couples and will also restructure and improve family benefits by creating a single benefit for children. The new plan will increase child benefits by $400 million annually.

Mr. Speaker, the latest budget clearly shows how sensitive the government is to the needs of Canadian families.

[*English*]

REFORM PARTY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the cat is out of the bag. Today *The Sun* newspaper reports that racist group members have joined the Reform Party. According to their report, two founding members of an extremist racist group, namely the Heritage Front, have joined the Reform Party and at least one of them holds an executive position within that organization. This Reform Party office holder, we are told, hosted an Imperial Dragon Ku Klux Klan officer who visited Toronto last weekend.

Cliff Fryers of the Reform Party said that his party's "bright lights attract a lot of bugs". The Reform Party had better get its giant fly-swatter out this time.

This is Canada and there is no room here for racism and intolerance. A moment ago, I said that the cat is out of the bag. Maybe I should have said the "Klu" is out of the Klan.

* * *

PETROLEUM MONITORING AGENCY

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I want to use this one minute to make a statement to focus on a mistaken policy by the present government. It has decided to terminate the Petroleum Monitoring Agency.

The Petroleum Monitoring Agency has a function of collecting and publishing information on the strategic petroleum industry, reserves, costs of production, rates of return, degree of foreign ownership and investment patterns. Above all issues, the God given resources of this country should be monitored by the government for the people of this country. There is a major concern about the intrusion of the seven sisters in the oil industry becoming majority stakeholders in our oil industry in this country. We need to know what is going on, we need to know who owns what and how much money they are taking out of Canada.

• (1110)

Don't do this. Keep the Petroleum Monitoring Agency as it exists.

S. O. 31

CANADIAN PRAYER ALERT

Mr. Doug Fee (Red Deer): Mr. Speaker, this is a crucial period of our nation's history. We face serious challenges, both nationally and internationally. The Canadian Prayer Alert has reminded us that we can find help if we return to the religious roots that sustained and nurtured this country in its formative years.

The Dominion of Canada was founded upon principles that recognized the sovereignty of God and the rule of law. An invitation has been issued to all Canadians through their church leaders to join together this Sunday, March 1 and recognize a national day of prayer.

I endorse this idea and encourage all members of this House and concerned Canadians of all denominations to accept the invitation and join together in prayer on March 1 to pray for the unity of our nation and God's healing upon our land.

* * *

IMMIGRATION

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, last night in the room right next door to this Chamber, friends and supporters of Peter Zujewski, Marzena Tomala and their Canadian-born daughter Agatha gathered to say farewell to a family who has deeply touched the hearts of the people of our community.

It is tragic that hundreds, perhaps thousands, of phone calls could not reach the hearts of this government and allow this family to stay in Canada. This community will not forget Peter, Marzena and Agatha and we will not forget the inflexible, unjust Minister of Employment and Immigration and the Prime Minister who are responsible for their plight. Even now as they prepare to leave voluntarily, a hearing to forcefully deport them will resume this afternoon.

Friends and supporters have established the Agatha Fund to continue their fight in her name against a system that produces such shameful results.

We want to change a system that is heartless, inhumane and unjust and unequal.

S. O. 31

ABBY HOFFMAN

Mr. John Brewin (Victoria): Mr. Speaker, tomorrow night in Toronto the Canadian Association for the Advancement of Women in Sport and Physical Activity (CAAWS) will give an historical award for 1992 to Abby Hoffman.

I am sure I speak for all members of the House in joining with CAAWS in acknowledging the tremendous contribution that Abby Hoffman has made to sport in Canada, to sport internationally and to women everywhere. A great athlete in her own right, an Officer of the Order of Canada, Abby served for 10 years as Director-General of Sport Canada.

It was disappointing that the minister of sport removed her from that position. In it she gave outstanding and sensitive leadership, focusing Canadian sport on the value of pursuing excellence, of supporting athletes and coaches, of equity and fair play in sport—the moral value of sport, as Bruce Kidd has called it.

Above all, throughout her life, Abby Hoffman has contributed inspiration and encouragement to countless girls and women. We wish Abby well on this happy occasion and look to her for continued leadership in the future.

* * *

EDUCATION

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, as the representative of thousands of students who attend the University of Alberta, I would like to commend the government for increasing the student tax deduction from $60 to $80 per month.

I also want to thank University of Alberta student union president, Marc Dumouchel, and vice-president Randy Boissoneault for their submission to the Edmonton caucus and to the Government of Canada. We listened. We will be eliminating the 3 per cent administration fee on student loans. These measures will help thousands of students across the country. An efficient, accessible and generous student loan program helps students achieve their goals.

A well-educated work force is crucial to the competitiveness of our country and the well-being of its population. I commend the finance minister for these moves.

* * *

UNEMPLOYMENT

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, in the last few days we in the Niagara peninsula have been saddened by the news that 2,300 jobs will be lost because of the decision of General Motors to close down a plant in the city of St. Catharines.

We have been ravaged by that decision and savaged by the policies of this government. We in the Niagara peninsula hope that the families of the men and women who have been laid off will be getting some kind of assistance, either for retraining or for money to tide them over until they can see their way clear to getting new jobs.

We hope that this government will strongly consider putting those programs it now has in place in operation so that the workers of General Motors in St. Catharines can have a little bit more hope at this time of the year.

* * *

[*Translation*]

CO-OPERATIVE HOUSING

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, the decision to abolish the federal co-operative housing program is harsh and unjustifiable for low income families. After a thorough review, this program was deemed to be appropriate and effective in 1991 and the government announced that it would be permanent instead of experimental. Therefore no replacement measure has been planned by the provinces, municipalities and groups concerned, which have mobilized their members to present concrete projects.

In Montreal, families who live in co-operative housing have an average income of $24,000 and half of them pay the going market rate. This collective form of home ownership enables poor families to live in a socially mixed environment, which is highly desirable. The efforts made by these groups further to the government's commitments must not be betrayed. The Minister of

Finance must reverse his absurd decision and announce that the program will continue as soon as possible.

[*English*]

* * *

IMMIGRATION

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, pursuing a little further what our colleague from Ottawa said a little earlier about children and the preoccupation of this government, there could be a deportation order in my case as well. Five children have been accepted; the parents have not.

The minister of immigration has not even seen fit to respond to me. I think this government had better make a decision to get rid of these immigration boards if it cannot do a better job and have more humanitarianism.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Prime Minister in the absence of the Minister of Finance.

Today, Statistics Canada reported that the gross domestic product, a measure of the over-all size of the economy, dropped .4 per cent this past December. This means the economy started shrinking again. How could the Minister of Finance say in his budget speech that there were "good reasons to look forward to an early resumption of solid economic growth"? Do these measures not show that the budget will not do enough to get the economy moving and create jobs and opportunities for Canadians?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, first of all I must point out to the hon. member that the Minister of Finance in his budget acknowledged the possibility of a decline in output in the fourth quarter. This is consistent with the forecast the minister made.

The budget measures which came out just this week are designed to bolster the economy. We are seeing some very, very positive signs. As a matter of fact, just this morning I note that residential construction increased by 96 per cent in January over January 1991. That is a very strong signal that we are on the road to recovery.

Hon. Herb Gray (Windsor West): Mr. Speaker, only a Conservative could say that the shrinking of the economy is a positive sign. The government's budget papers also confirm that real interest rates will be much higher than usual through 1997, meaning that full recovery could be as much as five years away.

I ask the Minister of State, do the government's own budget papers not confirm that the government's policies will not do enough to get the economy moving again and will not create enough jobs and economic opportunity for the hundreds of thousands of people who have been the hapless victims of this government's misguided economic policies?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, let us compare this particular recession with the last one when the hon. member was on the treasury benches. The GDP fell by 5.5 per cent over that period of time. In the recession that we have come through, it has fallen 3.1 percent. The hon. member should not be up in the House lecturing the government on financial matters because his record is suspect.

I want to remind the hon. member that during the last recession in 1981-82, we had a one-quarter dip in growth again after recovery had started.

• (1120)

This is not unusual during a recovery period. Now we are into 1992 and we are looking forward, not back, like the hon. member would want to do.

Hon. Herb Gray (Windsor West): Mr. Speaker, if the hon. member wants to look back, let him look back in the government's budget papers tabled this week which say that "annual growth this year and next will still remain well below the 4.7 per cent average of growth in the 1983 and 1984 recovery period". Why does he hide that statistic?

[*Translation*]

Mr. Speaker, I would like to put a question to the minister responsible for housing, who said in this House that despite the budget, everything would be done to create social housing and not less. CMHC has said that

10,000 fewer such housing units will be built next year because of this budget.

I ask the minister how he will do more for social housing when the number of units next year will be 10,000 less than this year.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to remind the hon. member that next year the government will spend over $2 billion for 650,000 federally supported social housing units that will provide homes for 1.5 million people.

Of course, we also announced in the budget a 3 per cent increase in the amount we spent last year to build social housing.

* * *

EMPLOYMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Prime Minister.

The government presented its budget as the greatest invention of the century for putting our unemployed back to work. The reality is quite different. The estimates show a $100 million cut in labour force training, in addition to the $126 million cut last year.

Why does the government want to take hope from our unemployed by letting other countries get ahead of us?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, first I want to remind the hon. member opposite that this government respects its commitments and that the first commitment we made to Canadian workers is to provide training and skills acquisition.

Our program has been increased by $300 million and unemployment insurance is now a positive, active program instead of a negative, passive one. We definitely intend to continue to develop a work plan suitable for all workers seeking employment and to do so in co–operation with business, the private sector and our commission, which is to set national priorities for us.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, we are going through one of the greatest periods of change in the world's trading relationships since the Middle Ages.

Despite this, almost every government responsibility that is forward looking has been cut; the Science Council, the Economic Council, the green plan, $100 million cut from job retraining for those who are not eligible for unemployment insurance.

What is the government saying? That it is giving up. I would ask the minister not to give me a partisan answer, simply tell me how can we build the kind of country that we all want if the government is going to take away the very tools that will enable the country to get there?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, is it necessary to repeat that we must work to deal with the globalization of markets? That is what we are working on in the Department of Employment and Immigration.

It is absolutely impossible to make progress without thinking about this globalization of markets. Recommendations from chambers of commerce and from all the consultants with whom we have worked confirm, as he says very well, the need to be prepared to face the globalization of markets. That is what we are working on through our jobs strategy programs.

* * *

[*English*]

JUSTICE

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my question is for the Minister of Justice. The human rights tribunal has been told that the government will use legislation to nullify decisions on pay equity that it does not agree with. The Law Reform Commission has been quashed just weeks after delivering a report on aboriginal justice that is counter to the view held by the Minister of Justice. Yesterday the government announced that it was killing the Court Challenges Program midway through its contract, a program which gives

some tools to disadvantaged people to go to the highest courts of this country.

I want to ask the minister why she is doing this. What is the rationale behind this mean-spirited program? Is it a question of spite, a question of money or is it just simply a paranoid reaction to the Reform Party challenge?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the hon. member knows, the provisions taken in the budget were designed to try and deal with the very severe fiscal situation that the Government of Canada is in.

One of the axioms one learns in public life is that there is no limit to the amount of good you can do, but there may be a limit to the amount of good you can afford.

I would like to point out in the Court Challenges, for example, that the Government of Canada is the only government in Canada, and it was our government in 1985 that brought forward a program after the initial audit of the charterability of our legislation, to enable Canadians to take those cases to court. No other government in Canada, including governments led by that hon. member's party, have given those kinds of tools to their people to challenge their kind of legislation.

For the past eight years, Canadians have had the opportunity to pursue, beyond what the government's original response was, the charterability of Canadian legislation. I think the provinces should perhaps contribute to that body of jurisprudence by providing support to people within their jurisdiction to challenge their legislation.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, let us not dump it on the provinces. This is a national matter and we are talking about the charter of rights.

The minister says there is a severe financial situation that the government is in. I have her estimates here. In the estimates she is asking for an increase in money for litigation services for the Department of Justice from $73 million to $89 million. In my experience as a lawyer, I have never seen the Department of Justice ever come in a court and take one case for an aboriginal person or one case for a poor person. It has never done that. This is money for rich lawyers in Vancouver.

I want to ask the minister, if she has extra millions for these lawyers to litigate, why does she not have a few bucks for the poor and disadvantaged people of this country?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the hon. member's question is unworthy of him.

The litigation expenses of the Department of Justice arise from the fact that Department of Justice lawyers represent the Government of Canada. Many Canadians seek to sue the Government of Canada. There are disagreements that the Government of Canada has with people over a variety of issues and so the workload of the litigation sector of the Department of Justice is not set by the department of the Government of Canada's lawyers.

On key issues relating to matters of principle or the application of the charter, the Government of Canada frequently goes to court. As the Attorney General I go to court not simply to uphold the views of the Government of Canada, but to uphold the prerogatives of Parliament, to resolve certain key issues of fundamental public importance. Those issues must in fact be argued before the courts and the courts will determine what the balance is between them. To suggest that the litigation budget of the Department of Justice is in some way policy driven I think is just ridiculous.

* * *

THE BUDGET

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I prefer that she pay for the Court Challenges Program so that some of the poor people could go.

I want to come back to this matter of severe financial restraints and I will put my final question to the Prime Minister. As has been said in the House this morning, Statistics Canada has reported that the economy shrunk 1.5 per cent last year. That is worse than the budget predictions. The only businesses that did well in the last three months are insurance companies with profits up 23 per cent and banks with profits up a staggering 65 per cent. Yet every other sector is down, contrary to the budget prediction.

My question for the Prime Minister is this: How can he justify economic policies which reward banks and insurance companies when he brings in a budget which refuses to help the economy and does absolutely nothing

for the unemployed and cuts legal and social services for the disadvantaged people of this country?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the hon. member is somewhat off base in the statistics that he brings forward. I might point out to my hon. friend that every economic group both in Canada and throughout the world which is taking a look at the position that Canada is in today says that this country will have the best recovery of any country in the G-7. We are positioned the best. We will have the best employment growth. We will have the best economic growth in this year and in next year, the lowest inflation and low interest rates. We are in a position to recover. Some of the signs have already started. I just mentioned, for example, the housing statistics.

• (1130)

The hon. member should take that into his understanding as he poses questions like that. He said there was nothing in the budget to create employment. The RRSP for home building, which has been praised widely and which the hon. member's party asked for, was in the budget. That alone is going to create employment.

* * *

[*Translation*]

COURT CHALLENGES PROGRAM

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, the Prime Minister has told us time and time again that he sets a priority on the rights of the individual. He said repeatedly that he believed all Canadians were equal under the Charter of Rights and Freedoms. If he still believes in these principles, why did he abolish the Court Challenges Program?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, I have made it clear that this was a very effective and very beneficial program. For 10 years we have provided very substantial funding to help minority official language groups and groups seeking equality. However, I think we can say that, over the past seven years, we have built up a certain amount of jurisprudence and that this program, which is important to everyone, should now be funded by others, perhaps at the provincial level, or by non-governmental organizations.

[*English*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Here we go, passing the ball back to the provinces.

[*Translation*]

Mr. Speaker, the Court Challenges Program gives people a chance to claim their equality rights under the charter. How will people who really need protection be able to demand their rights when the requisite funding is no longer available?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can inform the House that this morning I met a number of human rights groups. We discussed this particular issue and other issues as well. I told these groups that it was my duty, as Minister of Justice and Attorney General of Canada, to ensure that our legislation and policies comply with the Canadian Charter of Rights and Freedoms. So I will continue to keep an eye on—

[*English*]

Perhaps I should speak English; I am getting out of my depth here.

As I indicated to these groups this morning, as Minister of Justice and Attorney General of Canada it is my obligation and my duty to ensure that the laws and the policy of the Government of Canada are in conformity with the charter. I will continue to do that.

As my colleague has indicated, we are in fact the only level of government that has been willing to fund these kinds of cases. They have been administered, not by my department but the department of my colleague, the minister of multiculturalism, simply because there would otherwise be a conflict of interest since the Department of Justice defends the Government of Canada and the prerogatives of Parliament.

I will continue to observe this. In discussing this issue with the human rights groups this morning, I was also very interested in their proposal to perhaps create a task force of mutual consultation where we could in a co-operative and collegial way review legislation and look at areas that might be changed.

It is in our interest to resolve those problems. It may be that from time to time it will be appropriate to take the litigation response and at that time we would look at the appropriate nature of funding.

I believe there are other ways of assuring that there is input from people and from groups, that feel politically disadvantaged in expressing their concerns about our laws and policies as they relate to the charter.

I repeat again my concern that the provinces have not participated in this. Their laws and policies are also subject to the charter and there is no jurisprudence that they have supported to help clarify those principles which would be to the benefit of all of us.

* * *

[*Translation*]

LINGUISTIC MINORITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the government is not going to win any prizes for popularity if it keeps arguing its case the way the Minister of Justice is doing now. Federal assistance and the courts are the only recourse we have in Canada to help linguistic minorities defend themselves: Anglophones in Quebec and Francophones outside Quebec. This is the only level of government that has the generosity and the will to support us. So don't tell us you are going to transfer this to the provinces. Why did you take a leaf from Preston Manning's reform program, which aims to abolish bilingualism and multiculturalism? Why did you do that?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, I thought the hon. member might have wanted to rise in the House to congratulate us on creating the new Department of Multiculturalism and Citizenship for the purpose of defending the interests of all Canadians and promoting Canadian citizenship. We have a program that works very effectively for official languages and for all groups across this country. Our colleague, the Secretary of State, administers this program very well. If we continue to work with these groups, we will do everything we can to help those that are in a minority situation.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, there are still three provinces where it is difficult to obtain a trial in French. There are still six provinces where it is next to impossible to convince the authorities to give the minority groups control of their schools.

I ask the minister, in all honesty, how can the government in times of crisis in terms of constitutional matters abandon the rights of minorities guaranteed in the Constitution of this country?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, we have never abandoned the rights of the minorities. Our citizenship means equality for all, and I am going to continue to defend vigorously the minority communities from coast to coast as I do all the people in our diversity.

This particular program which was for the preparation and defence of these test cases under the language and equality rights of the charter was intended to provide a solid base of jurisprudence. After hundreds of cases one would imagine that we now have that base of jurisprudence.

* * *

ATOMIC ENERGY

Mr. Ross Harvey (Edmonton East): Mr. Speaker, in the absence of the minister of energy and the parliamentary secretary to the minister of energy, I have a question for either the acting minister of energy or, in the alternative, the Minister of State for the Environment.

This coming year another $177 million will be added to the $2 billion in artificial life support that has kept Atomic Energy of Canada Limited wheezing along for the last 10 years.

My question is either to the acting energy minister or the Minister of State for the Environment. Given the fact that AECL has made only one new sale in that entire $2 billion decade, why does this government continue to insist on force-feeding even more taxpayers dollars into this dead horse?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member should have known from his House

leader about the absence of the minister of energy, because I provide lists of ministers who are not here to each party. He could have chosen another day.

Let me say, in regard to his desire that Atomic Energy of Canada be wound up, perhaps we should discuss that with Ontario Hydro to see how that fits into its plans.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a supplementary question. I am certain Ontario Hydro and more particularly the Government of Ontario would be delighted to discuss that.

Some hon. members: Oh, oh.

Mr. Harvey (Edmonton East): The chain has been rattled, Mr. Speaker. Everywhere else on this planet the growth energy industries are solar, wind, biomass and hydrogen, options on which the government intends to spend, in total less than a third of what it intends to spend on the crumbling nuclear option.

Will the President of the Treasury Board take this opportunity to declare that there has been a terrible mistake and a terrible series of typographical errors in the energy department's estimates, that the numbers have been reversed, and that the government will spend $177 million on energy efficiencies and alternatives and only $55 million on nukes?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, not at all. I have full confidence in the magnificent work of my colleague, the minister of energy.

* * *

CANADIAN JOBS STRATEGY

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Minister of Employment and Immigration or his alternate.

The real jobless rate in Newfoundland these days is close to 40 per cent. Indeed it is over 50 per cent in places like the Port au Port peninsula, St. George's area and Bay D'Espoir.

• (1140)

These people have been brought to their knees by the particular policies of this government. For example, the high dollar makes it difficult to sell forest exports, so the loggers are losing their jobs right and left.

I want to ask the minister: Why is the government in effect laughing at the misery of those people by choosing now to cut $100 million from the Canadian Jobs Strategy program?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I repeated earlier how important it was to train our workers, and I also recalled the very substantial amounts we added to the system in order to upgrade skills and training. We are convinced that in the long run, this is the right strategy to ensure that someone who is looking for a job will be able to adjust to new markets and to industry's new needs. That is why we are working very closely with the commission that makes recommendations on priorities to our department. I also come from a region where the unemployment rate is still far too high, to my liking, but I believe we will be able to find the right solutions to our economic and social problems.

[*English*]

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, that has to be the nicest, loveliest answer I have had in a long time, but it had very little to do with the question.

I have said to the minister, and I will say one more time, that there is a decrease. I ask her to look at the estimates. She is talking increase; I am talking decrease. The estimates clearly say that the program has been cut by $100 million.

How can she stand there with a straight face and say that is an increase? Does she not realize that also last year the same program was cut by $100 million?

When is she going to come to the real world with the rest of us and respond to the question? Why the decrease? Why now? Are you laughing at those people?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): No, Mr. Speaker, we are not laughing at workers who are looking for jobs. Yes, we are trying to find the right approaches, as a government, and yes, we did have the courage to act responsibly and make the unemployment insurance system an active system that will at last give workers a chance to acquire the skills they need to be able to cope with this new economic structure. We are putting the appropriate measures in place through the

other departments. Yes, we will succeed, but we must give it everything we've got.

EMPLOYMENT

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, my question is directed to the Prime Minister. Quebec now has 405,000 unemployed workers, and this does not include those who have stopped looking for employment. We have had more than 23,500 bankruptcies in the province, and there was a net loss of 68,000 jobs in 1991 alone. More than half the unemployed in Quebec are in the Montreal region. Could the Prime Minister perhaps explain to Montreal's jobless why his budget does not provide any opportunities for finding a job? When can the people of Montreal expect to go back to work in this country?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, unless he has become a complete stranger to the Montreal scene, the hon. member for Saint–Léonard must be aware that the government has invested a lot of effort and a substantial number of programs in the Montreal region in order to get workers the jobs that are now becoming available as a result of our investment in advance technology and industries like the pharmaceutical industry, aerospace and so forth, which generate jobs that pay well. Thanks to our training programs, unemployed workers will have a chance to train for these jobs.

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, I am glad the minister responsible for the Montreal area answered my question. The jobs he assumes were created in the pharmaceutical industry will be lost because of the cuts in social housing and the loss of the co–operative housing program announced in the budget.

When will the minister responsible for the Montreal area stand up to his colleague, the Minister of Finance, to protect the interests of Montreal workers?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I repeat that the many jobs being created at this time in the aerospace and pharmaceutical industries are the jobs of the future, and those are the jobs we are targeting to restore Montreal's economy. Furthermore, we have created the right economic climate by reducing interest rates and keeping inflation at a level that is conducive to the kind of new investment that will be beneficial to the Montreal area.

[*English*]

LABOUR

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, my question is for the Minister responsible for the Status of Women.

Would she be prepared to meet with the 22 women in Powell River whose jobs have been taken by strike breakers hired by the Canadian Imperial Bank of Commerce?

Specifically, would the minister meet with these 22 women in Powell River with a view to helping them break the deadlock with the Canadian Imperial Bank of Commerce which is bent on breaking their union and throwing them into the street?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, unfortunately I do not plan to be in Powell River in the near future. Quite honestly, I do not think that would be an appropriate kind of meeting for me to undertake.

Obviously there is a labour dispute and the appropriate way of resolving that is between the union and the employer.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, the women of Powell River knew that as well as everyone else in the House.

Would she urge the government to conduct a public inquiry into the exploitation of women by the Canadian Imperial Bank of Commerce and the other chartered banks in Canada?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, in fact quite recently we received reports from the bankers and the Canadian Banking Association which showed some very significant progress is being made in the employment and the promotion of women.

In fact, one of the major banks has now a very increased percentage of women in senior management.

Obviously there is always room for improvement but I have full confidence that there are mechanisms between the banks and the employees and unions to work out these situations.

* * *

THE CONSTITUTION

Miss Deborah Grey (Beaver River): Mr. Speaker, my question is for the Minister Responsible for Constitutional Affairs.

Recently the Montreal *Gazette* reported that in a letter to Southam News relaying the government's position, Information Commissioner John Grace said that the government is keeping public opinion polls on the Constitution locked away because of an "extremely volatile public environment".

These polls have cost hundreds of thousands of dollars, obviously paid for with public funds. It would only make sense to me that the public should have access to this information.

Will the minister now release these polls to allow Canadians to make up their own minds on the constitutional question? What perhaps would this government have to hide?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, as I am sure the hon. member knows, this is a matter that is still in negotiation between *The Ottawa Citizen* and the commissioner and she would not want me to interfere with that process.

Miss Deborah Grey (Beaver River): Mr. Speaker, I realize that the government is not used to allowing the public to take part in matters of state. We have seen that all too painfully in the last few hours. I think this time we need to make exceptions.

I ask this minister again: Will he not release the said public opinion polls on the Constitution? If he refuses to do so today, then when can the Canadian people expect to see the results that they have paid for in this and also the constitutional proposals that have been left up to a committee of only 30 people to determine with directives from the PMO?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I answered the first question the first time. With regard to public participation, let me make two points.

One has to do with the practice of some political parties in this country. When there is dissent in their ranks they act immediately to throw out the dissenters. This is despite clear undertakings that were given by her leader when he first became the leader of her party that never would he, as a leader, support the right of a party leader to deny the use of the party label to a candidate who disagreed with the leader. The Reform Party says one thing on the hustings and does another thing in practice.

With regard to the question of public participation, we have just come through a quite extraordinary process of public participation on the Constitution to which representatives of the Reform Party were invited.

I have heard two political parties that whined and complained about that process: one was the Bloc Quebecois, the other was the Reform Party of Canada which did not want to hear Canadians who said things that it did not agree with.

* * *

• (1150)

TAXATION

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, my question is for the Minister of State for Finance.

The Reform Party would like to eliminate tax credits and tax deductions which the government uses to achieve desirable social and economic goals. It wants to do this by instituting a regressive flat tax.

Would the minister inform the House how the Reform Party's flat tax would affect families and working people?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the flat tax proposal as I understand it from the Reform Party would allow no deductions at all. Therefore their system would help the upper-middle income and wealthy people of this country and penalize the lower-middle income and the poor working families.

It would damage the volunteer sector. I do not think there is any question about that. The charitable donations would be decimated and they have let us know that in no uncertain terms.

In short, the flat tax would penalize those people we are trying to help the most with the budget that was just released on Tuesday.

* * *

UNEMPLOYMENT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister.

This budget means very little to a great many Canadians in Toronto, especially the 206,000 unemployed individuals who need immediate jobs to put their families back on track, the 400,000 people on welfare who need immediate hope and 124,000 people who use food banks and want this undignified dependence to come to an end.

Why did the government ignore the plight of these Canadians in its budget by failing to introduce job creation measures that would have addressed the economic malaise confronting these Canadians and metropolitan Toronto?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, we learned our lessons from the 1981–82 recession when the government of the day threw money at the problems and it did not solve the problem. It was borrowed money and we are trying to pay back that debt today. We are suffering under that debt load in this country.

The best thing we can do for those people is get the economy going again, to create meaningful, full-time employment, not just make-work projects for a month or two.

The amount of money that was suggested by the Liberal Party would only have provided about 30,000 short-term jobs across the entire country. That is not the way to solve the problem. The way to solve the problem is to get our fundamentals in place and come out of this recovery full speed ahead.

That is exactly what all the think tanks across this country and around the world are saying, that we are in the best position of any country in the G-7 for recovery this year.

Mr. Sergio Marchi (York West): That response is full of bunk and the minister knows that.

The municipal government of metropolitan Toronto proposed specific joint projects to be shared among the three levels of government that would have provided the very job stimulus that is required by Toronto.

For instance, one initiative was the construction of a new trade centre that would have created 7,000 immediate construction jobs and 3,000 permanent jobs.

Why did the government say no to this and other sensible projects, not make-work projects but sensible projects, that would have put Canadians back to work and would have had some meaning to this government's feeling that the economy is indeed back on track?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, we did not do that because the taxpayers of this country have told us in no uncertain terms not to bring forward make-work projects but get the economy back on track. Once the economy is back working again then some of these projects may be able to take place.

Right now the taxpayer—there is only one taxpayer—cannot afford to borrow more money. All it will do is force up interest rates. It will increase inflation and we will be back in that same old cycle that the Liberals had us on for years. We are trying to get out of that and we believe the policies that we have are going to work.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my question is for the minister of employment.

A recent Statistics Canada report reveals that most Canadians who claim unemployment insurance are likely to find themselves out of work repeatedly in the course of their working lives.

The report states that repeat unemployment insurance use is very high. Repeat users represent as many as 80 per cent of all claimants.

I ask the minister, why did the budget not include a national training strategy that would help these people get off the UI treadmill?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, we already have this strategy in place. Its purpose, as my colleague from finance said so well, is to upgrade our economy and to help workers, through the jobs strategy and the various programs that we offer them, to pursue their training and be competitive in a world of globalized markets.

We did not need to add to this budget because for the past three years we have had an employment strategy that was designed with employers, workers and the private sector and that meets the needs of today and tomorrow very well.

[*English*]

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, obviously the strategy this government has implemented is not working because these people still exist.

The Statistics Canada study is supported by the Economic Council's most recent, and last annual report. That report states: "There is a group of people who are caught in regular cycles of unemployment. They may gradually become lengthier and more frequent thus forming a trap from which it is difficult to escape".

Why did this government not address this fundamental problem in the budget? When is it going to abandon its haphazard hit-or-miss approach to job training and throw a lifeline to these individuals who are trapped in the whirlpool of UI dependency?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I remember very well the working sessions we had and the big discussions here in this House when we tried to have Bill C-21 passed unanimously. The main purpose of this bill was to break this vicious circle of unemployment and employment. That is why we implemented this reform. The hon. member will never agree that we are making progress, but we are, little by little.

[*English*]

CANADA POST

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the minister responsible for Canada Post.

Every day communities are complaining about the fact that their post offices are being closed and not just post offices in the public sector. Post offices that have been in drugstores for twenty, thirty, forty years are being closed without any proper notice and without consulting the people and the communities affected.

Will the minister instruct Canada Post to set up a real process where the communities and people affected are being listened to and can participate in the decision-making process?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as the hon. member knows, in 1981 this House passed an act making Canada Post a Crown corporation. There was unanimity on both sides of the House that it was for the purposes of keeping out political interference so that we would not have these requests that ministers direct the post office to do this and that.

However, the question of the post office being responsive to its customers is an important question. I will communicate the member's concerns to the post office by way of a communication. I suggest that he might do the same thing.

We should let the post office do what we asked it to do unanimously in 1981 and that is to operate at arm's length, free from political interference.

Mr. Rod Murphy (Churchill): Mr. Speaker, I am not asking the minister to get involved in each and every closure.

What I would like the minister to do as a matter of public policy is to ask the post office to set up a mechanism where the public is really involved. I think that is a proper role of government. It is a proper role for the minister responsible for the post office.

I would ask him to make that request, which I am sure is shared by members of all political parties, to make sure there is a proper process for individual and community involvement in the decision-making process.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I understand that such a process does exist. I understand that the post office has on a number of occasions offered to brief members of this House on the process and on all that is involved. I am told that the New Democratic Party has turned down at least one of those briefings.

If in fact the hon. member is not aware of the process, I will ask the post office to invite the hon. member and his colleagues to a briefing, so that they may be acquainted with the processes involved and make any suggestions they have for improvement.

* * *

• (1200)

TRADE

Mr. Jim Peterson (Willowdale): Mr. Speaker, I am sure the minister for trade would agree that the harassment of Honda by the U.S. customs authority threatens future investment in Canada very severely.

Now look at what is happening. The U.S. authorities have said that the Honda Civic has less than 50 per cent North American content. Our authorities say it has 66 per cent North American content. Does not this great disparity indicate to the minister that we have to amend the free trade agreement to have precise content rules?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me just correct one point that my hon. friend made.

Revenue Canada has advised Honda that the North American content is greater than 50 per cent. It has not advised Honda of a specific figure such as my hon. friend has mentioned.

I fully agree with the substance of the member's question. It is one of the very clear objectives we have in the NAFTA negotiations, the North American free trade negotiations. If we are not successful in getting a North American free trade agreement, then under the free trade agreement with the United States we need to get clear rules of origin so we do not have this same problem repeating itself.

Mr. Jim Peterson (Willowdale): Mr. Speaker, my supplementary question is for the same minister.

If this U.S. custom's decision goes against Honda, which it very well might, Canada's only remedy is under chapter 18 arbitration of the FTA. As the minister knows, one of the big problems with chapter 18 arbitration is that it is not binding unless the U.S. agrees that it will be.

Has the minister asked the U.S. to ensure that an arbitration decision under that provision will be binding and, if so, what was the response of the United States?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, we have, under the terms of the free trade agreement, initiated two consultations with the United States; one with regard to the Honda decision and the other with regard to the problem that we have with Camry also on rules of origin.

Let us follow through that process. We have presented our case very strongly to the United States government on both of these issues and we will continue to do that, working with both companies involved. The clear objective is to avoid these problems in the future by getting an agreement now or as soon as possible on how rules of origin should be interpreted by both governments.

* * *

[*Translation*]

COMMUNITY WEEKLIES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Communications and concerns his announcement yesterday about the subsidy for newspapers.

The minister surely knows that *Le Journal de Cornwall*, *Le Soleil de la Colombie* and many other weeklies serving Francophone communities outside Quebec are disappearing because of an arbitrary decision by Canada Post which considers these newspapers as weeklies rather than magazines.

I would like to ask the minister whether he is prepared to intercede with his colleague, the minister responsible for Canada Post, who refused to answer letters from the

association of the French language press outside Quebec, so that these newspapers can survive.

[*English*]

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the Department of Communications is working very closely with the newspaper publishing industry across the country to try to meet their concerns while, at the same time, recognizing the fact that Canada Post does have costs involved in the distribution of newspapers.

The announcement we made yesterday will benefit some 430 community newspapers across Canada. It is something which is very beneficial for community newspapers. It was worked on in conjunction with the Canadian Community Newspaper Association and we will continue to work very closely with them.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEES

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government pursuant to the provisions of Standing Order 110(1). These are deemed to be referred to the appropriate standing committees, a list of which is attached.

* * *

UNITED NATIONS

TABLING OF ORDERS IN COUNCIL

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I have the privilege today in the House to table, in accordance with Standing Order 32(2), three Orders in Council, in both official languages, relating to Canadian participation in United Nations peacekeeping missions. They are PC 1991–2115 for the United Nations mission for the referendum in western Sahara, PC 1992–354 for the United Nations protection force in Yugoslavia, and PC 1992–355 for the United Nations advanced mission in Cambodia.

* * *

NATIONAL DEFENCE AND VETERANS AFFAIRS

GOVERNMENT RESPONSE TO FIRST REPORT OF STANDING COMMITTEE

Mr. Patrick Boyer (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I have the honour, on behalf of the Minister of Veterans Affairs, to table in the House the government's response to the first report of the Standing Committee on National Defence and Veterans Affairs. This is the report that deals with Canada's wartime merchant mariners.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

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

* * *

[*English*]

STANDING COMMITTEE ON ABORIGINAL AFFAIRS

AUTHORIZATION TO TRAVEL

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, there have been consultations and I believe there will be unanimous consent for the following motion. The motion reads:

> That as part of its study on aboriginal housing, five members and three staff of the Standing Committee on Aboriginal Affairs be authorized to travel to Vancouver to participate in the conference on housing, organized by the Assembly of First Nations from March 8 to March 12, 1992.

Motion agreed to.

PETITIONS

REFUGEES

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I have a petition from several Canadians who, because of the suffering of our refugees, their personal and economic hardships and their undecided futures because of our slow refugee processing, are calling upon Parliament to urge the government to step up action on refugee cases and especially to exercise compassion.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I too have a petition signed by many residents in the Ottawa region. The petitioners are asking for relief for refugees who are suffering from personal and economic hardship and fear for their future and are calling on the government to exercise compassion.

YOUNG OFFENDERS ACT

Mr. Rex Crawford (Kent): Mr. Speaker, I am honoured to rise in the House, pursuant to Standing Order 36, to present a petition which contains over 5,000 names of people from my riding which states:

> The undersigned, your petitions, humbly call upon Parliament to revise the laws of Canada, to replace the Young Offenders Act with an updated Juvenile Delinquent Act with a lower maximum age of 13.

In other words, Mr. Speaker, scrap the Young Offenders Act.

GASOLINE PRICES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition that is in order according to Standing Order 36.

The petition states that gasoline prices are significantly higher in the Ottawa area than those in southern Ontario and that such a price disparity discriminates against Ottawa area consumers.

The Government of Ontario has eliminated legal licence fees for northern residents to compensate for a similar gas price disparity between southern and northern Ontario. Therefore the petitioners call upon Parliament to urge the government to correct this injustice to Ottawa area motorists.

CRIMINAL INJURIES COMPENSATION PROTECTION

Mr. John Brewin (Victoria): Mr. Speaker, I have the honour to present two petitions to the House. The first deals with the issue of the absence of criminal injuries compensation protection at the federal level and particularly for Canadians who are travelling and working abroad and supports Bill C-310, which is a private members' bill I have introduced in this House and which will be debated on March 9.

This petition is signed by hundreds of people from the Victoria area, including from my own constituency and I have the honour to present it to the House.

GOODS AND SERVICES TAX

Mr. John Brewin (Victoria): The second petition is also signed by people from my area and calls on the government to exempt from the goods and services tax women's sanitary products.

DRUGS

Mr. Sergio Marchi (York West): Mr. Speaker, I have the honour of tabling a number of petitions signed by over 500 Canadians from my riding who are concerned that the drug trade in Toronto is getting out of hand.

• (1210)

Essentially they are asking this government that when there are proceeds from drug busts in metropolitan Toronto and elsewhere, rather than having all these revenues flow into the general accounts of the federal government, that those moneys be shared with the police authorities in Toronto and other local organizations who are on the leading front of trying to combat and overcome the illicit drug trade problem that is causing havoc among families and our youth.

I hope the government listens to this appeal.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, questions No. 4, 176 and 277 will be answered today.

[*Text*]

Question No. 4—**Mrs. Maheu:**

Does the government intend to table the report of the Race Relations Task Force, headed by Mr. Linton Garner?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): There is no intent to table.

Question No. 176—**Mr. Young (Acadie—Bathurst):**

With respect to the Public Service, as of March 31 of (*a*) 1985 (*b*) 1990 (*c*) 1991, what was the number of (i) senior management (SM) (ii) executive (EX) (iii) deputy ministers (DM) (or equivalent)?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I am informed by the Privy Council Office and the Treasury Board of Canada as follows:

As of March 31 of each year:

	YEAR	SM	EX	DM/EQUIVALENT
(a)	1985	2,096	2,198	115
(b)	1990	1,984	2,624	129
(c)	1991*	2,041	2,715	136

Following the February 26, 1991 budget, the number of public service senior managers as of January 31, 1991, is being reduced by 10 per cent (from 4750 to 4275), with the bulk of the reduction to be achieved within one year and the remainder by March 31, 1993. In the period January 31 to November 30, 1991, the management category population decreased by 231, or 48 per cent of the reduction target of 475.

Question No. 227—**Mr. Milliken:**

What is the anticipated cost of the National Transportation Act review panel appointed by the Minister of Transport to review federal transportation economic regulatory legislation?

Mr. Leonard Gustafson (Parliamentary Secretary to Prime Minister): Members of the National Transportation Act review panel, who were appointed by the Governor in Council on January 31, 1992, will develop a proposed budget once they have had an opportunity to determine a plan for carrying out their mandate. The proposed budget will then be submitted to Treasury Board in accordance with the established budget approval process.

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, if questions No. 113 and 152 could be made orders for returns those return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that questions mentioned by the hon. parliamentary secretary be deemed to have been made orders for returns?

Some hon. members: Agreed.

[*Text*]

Question No. 113—**Mr. Boudria:**

Since 1984, how many grants have been given by the government and its agencies to privately owned golf clubs and in each instance what is (*a*) the amount (*b*) the purpose of the grant?

Return tabled.

Question No. 152—**Mrs. Stewart:**

For each fiscal year since 1989 to date, have any departments rented facilities other than those of the government for staff training, and, if so, (*a*) what were the costs for renting the facilities (*b*) for what reasons were these facilities used?

Return tabled.

[*Translation*]

Mr. Langlois: Mr. Speaker, I would ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

[*English*]

The Acting Speaker (Mr. Paproski): We will revert back to petitions because one of our members was on the other side of the House. The hon. member for Kingston and the Islands.

PETITIONS

GASOLINE PRICES

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise to present a petition today signed by numerous residents of the Ottawa area.

The petitioners are concerned about the excessively high gas prices that are prevalent in this area, higher than other parts of southern Ontario. They call on Parliament to urge the government to correct this injustice to Ottawa area motorists, and I may say that many Kingston area motorists share their concern.

Mr. Boudria: Mr. Speaker, when you asked for consent for the questions to be allowed to stand, I had risen on a point of order on that issue, hoping that the government, perhaps through the chief Whip, would respond.

I have four questions on the Order Paper. Three have been there for periods much longer than 45 days, some of them up to about five months. We are not entitled to have more than four questions on the Order Paper. I cannot get any answers any more because I cannot put new questions on the Order Paper. So I am effectively paralyzed in my ability to do my work in terms of asking written questions.

I want to ask the government when it intends to follow the Standing Orders of the House and provide answers to those questions. I recognize that the Whip probably cannot give a full answer right now. I would be satisfied with a commitment on his part that he will do his best to ensure that the Standing Orders are followed by those responsible.

Mr. Hawkes: Mr. Speaker, we take a lot of credit for changing the Standing Orders so this particular submission could be made. I would like to point out to the House that our record in answering questions is infinitely better than any system which existed prior to the present one.

He is correct that I am not familiar with his particular four questions. I do know from the time I was parliamentary secretary to the Deputy Prime Minister that frequently there is difficulty because questions are so complex. They involve more than one department and a very heavy expenditure of money to procure the kind of answers that members are after, and it is simply not possible if too many departments are involved to answer in 45 days.

I have suggested to members that if they would cut down on the size of their questions it would be very helpful in getting speedy answers. I do not know if that is the situation in this case, but I will undertake to ask the parliamentary secretary to look into the matter and to report back to the House at the earliest opportunity.

* * *

THE ROYAL ASSENT

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

February 28, 1992

Mr. Speaker,

I have the honour to inform you that the Honourable Peter de C. Cory, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 28th day of February, 1992, at 1 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,
Judith A. LaRocque,
Secretary to the Governor General.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1992–93

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-61, an act to provide borrowing authority for the fiscal year commencing April 1, 1992, be read the second time and referred to Legislative Committee E.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my remarks will, of course, be addressed to the matter before us, that is the budget brought in by the present government for the next fiscal year.

The first thing I would like to do is deal with some anomalies in the budget, perhaps unintentioned by the government, but nonetheless I think we should pay attention to them.

For some time now, the leader of my party has been calling for a review of the loopholes for business expenses such as lunches and other allegedly important business dealings that have still not been sealed in the

current budget that is before us. Did you know that it is still possible for businessmen to write off the services of escorts going to lunch?

An hon. member: No.

Mr. Barrett: My dear friend says "no" and shakes his head. The department's response to this is to say that it has no way of monitoring this. The fact is that some of those escort services are out and out hooker shops and this government is permitting people to clearly deduct the services of hookers as a business expense.

Mr. McDermid: That's not true and you know it.

Mr. Barrett: My dear friend may interfere all he wants across the floor, but the reality is that the department itself admits publicly that it has no way of monitoring this.

Mr. Fee: Why don't you listen to what the minister says?

Mr. Barrett: All right my dear friends, you are very quick at heckling but very slow on actually taking some action.

I want to tell you that as it stands today, and I know it clearly, the fact is that hookers can still be deducted as a business expense. That is hardly appropriate in this day and age and hardly appropriate at a time when this country is involved in attempting to cut back services right across the line. When it comes to certain services, they overlook it.

Mr. McDermid: Did you do it?

Mr. Barrett: My dear friend, did I?

Mr. McDermid: How do you know?

Mr. Barrett: I do not have business deductions.

An hon. member: Neither do they.

Mr. Barrett: Look, if you want to interrupt just stand up on a point of order and I will rule on it.

Mr. McDermid: On a point of order.

Mr. Barrett: I ruled you out of order.

Mr. McDermid: Mr. Speaker, on a point of order. The Minister of National Revenue yesterday made it very clear that that was not a fact.

Mr. Barrett: That is not a point of order.

The Acting Speaker (Mr. Paproski): I cannot hear the point of order. How can I rule on it?

Mr. McDermid: Mr. Speaker, my point of order is that the hon. member is standing here and giving out information that is not true. In fact, the Minister of Finance yesterday—

The Acting Speaker (Mr. Paproski): That is not a point of order. It is a point of debate.

Mr. Barrett: Mr. Speaker, thank you for keeping the House in order and pointing out the member who is suggesting a member is not telling the truth is himself out of order.

Having said that, the reality is as I have said it.

To go on to other areas of cutbacks, I want to go from a particular to a universal. The fact is that this government has deliberately moved off of any responsibility right across this country of assisting provinces in their budgeting for the economic devastation that has been caused by this government.

We have 1.5 million unemployed people in this country, many of whose only source of income is unemployment insurance. When they run out of unemployment insurance eligibility, although the government is increasing their share toward unemployment insurance payments, they run out of unemployment insurance. Then they are on welfare and that is where this government walks away, particularly in three provinces, Ontario, Alberta and British Columbia, because of the capping.

What it is doing—I know the Chair has no part of this—is saying: "If you are suffering out there, you are the victims of economic restructuring". It is saying: "If you are suffering out there, you are the victims of an economic restructuring". It is an economic restructuring that somebody has to sacrifice themselves for and it might as well be the poor, the unemployed and the unemployables.

• (1220)

This government in this budget has not made one single gesture of understanding what peril it has put this nation in, in terms of the huge costs to provinces of welfare. This government has created more welfare problems in its eight years in power than we have seen in a generation before. Its response to dealing with this is to blame the Liberals. Lord knows, they need the blame. But we find the two old line parties trading off whose recession was worse. Is that the way to deal with a country? We are not here to talk about whose recession is the worst. Both of them caused the recession. We are

here to talk about solutions and this government has come up with absolutely nothing.

The same old Tories were around in the last depression when we heard that famous expression by their American counterpart, the then President of the United States, Hoover, who said: "Root hog or die—Root hog or die". Free enterprise for the poor. Free enterprise for the middle class, but socialism for the rich.

Let us take a look at the banks in this country. The banks are protected by a form of marketing board, the very thing they want to destroy for the farmers. The Bank of Canada, in effect, is a form of marketing board; money supply, money control for the five private major banks in this country, a public instrument to protect those private banks that are now making higher profits than any other corporate sector in this country and being protected by this government; $4 billion last year of profits made by the banks—$4 billion that the super rich in this country are guaranteed protection on, yet the poor, the unemployed have no succour from this government.

An hon. member: They are paying taxes.

Mr. Barrett: Oh, they are paying tax. Let us hear it for the crying. If the banks paid taxes at the same rate that a bank clerk pays, we would all be a heck of a lot better off. Bank clerks pay more percentage than the bank itself does. Do not give me the stuff that banks are paying their fair share of taxes. The banks are protected by this government and a socialist instrument known as the Bank of Canada.

The insurance companies in this country are fat, loaded and doing well. To extend it further, we see that even a separate bank is going to be favoured by the North American free trade agreement with Mexico. Mr. Speaker, I refer you to a report, not in Canada but in the United States. In Canada, unlike Mexico, unlike the United States, the parliamentarians of this country have yet to have a briefing on the draft bracketed agreement on the Canada-U.S.-Mexico deal. The Mexican senators have had a briefing, the U.S. Congress people have had a briefing, but nothing here in Canada. Keep us in the dark no matter what you are planning to sign.

I quote from *The Financial Post* of just this morning. *The Financial Post* is not a supporter of the New Democratic Party. If it were, I would not buy it. This is what *The Financial Post* stated this morning, and I quote: "Washington—Canada will be the only nation to suffer under a North American free trade agreement according to a bleak study released yesterday".

An hon. member: By who?

Mr. Barrett: Wait, I am coming to that. Do not get nervous. I know his anxiety level is rising. I know the tension is overwhelming him, but I tell him, do not get nervous. I am in order.

"While Mexico gains 600,000 jobs, the U.S. gains 130,000 jobs, Canada stands to lose 5,000 jobs" says the Institute for International Economics, as it produced the gloomiest predictions for Canada of any serious scrutiny done of the contentious free trade debate. I emphasize any serious scrutiny because this government has produced absolutely no documents on its position in the negotiating of that agreement to this House. It was Southam News which, through the Freedom of information act, got access to the documents it had prepared for its own side of briefings for the Canadian position. The documents released under the information act, forced by Southam News, indicated the very same thing, that this government was going into a mine field on the Mexican negotiations. Let us understand very, very openly and obviously that this government is on a course of another sell-out just as the Canada-U.S. Free Trade Agreement has been.

I do not intend to be negative for my full 20 minutes. I have some positive alternatives to help this government out of its mess. It is necessary to understand how stupid, how foolish and how closeted this government has been in the dealings on the North American free trade agreement with Mexico. Here is an American study by a reputable organization that has shown clearly exactly what the government's own private briefings had.

Do not run out, Mr. Member, I am not through yet. Furthermore, this study goes on to show in stark contrast the U.S. $2 billion trade deficit it had with Mexico in 1990 would undergo a positive swing of $9 billion by 1995. Another slap against Canada will be rediversion of U.S. imports from Canadian sources to Mexican sources. Why not? If under the free trade agreement with Canada and the United States the United States is forced to buy a Canadian product because of that agreement and we then go in with Mexico, it will obviously buy a similar Mexican product. Why would it not? Any dumb-bell can

figure that out. Canadian wages are higher than Mexico. On average, secondary and tertiary manufacturing jobs require about $12 to $14 an hour here in Canada. The same job in Mexico pays 80 cents an hour. Where do you think people are going to buy? They are going to buy from Mexico. What does this study do? It says exactly that. Any dumb-bell can figure that out.

I do not know, the government is full of any kind of things, but any dumb-bell can figure that out. But it is still going to have to sign this deal. We are going to lose on secondary and tertiary manufacturing thousands of jobs because of the Maquiladora program in Mexico and because the Mexicans are paid 80 cents an hour in many instances in the Maquiladora. Talk about human rights, talk about health and safety standards, the committee of this House has not even visited the Maquiladora, has not even gone to Mexico to see what kind of competition we will be faced with and has not even questioned the violation of human rights against men and women in Mexico who the government, through its Prime Minister, says is a paramount interest, human rights all over the world except when it comes obviously to trading partners such as Mexico.

The most exploited group of the workers in Mexico are women between the ages 18 and 30. They have been removed essentially from the rural communities in Mexico, moved into the Maquiladora zone and are at mercy in the prey of unscrupulous employers documented through human rights violations and such organizations as Amnesty International and other religious community groups. What has this government done? Thumb its nose at it, make sanctimonious speeches about "Oh, we want to tie aid into human rights". What a pile of—well I will not say the word BS. I was thinking of saying BS but I will not say it.

There you go, Mr. Speaker, it is hypocrisy. I was thinking of that word but I know that is unparliamentary too. So there you go, a government that really does not give a fig about Canadian working people, and does not care about the Mexicans at the other end. The exploitation is there and even in the face of this evidence is still going ahead to sign that deal. Why?

I have come to a conclusion and I want to make an accusation. I think this government is tied into a U.S. corporate agenda and it is more interested in that corporate agenda for those international corporations than it is for the Canadian people, Canadian workers, men and women right across this country. I hate to be right on this one but I am right.

An hon. member: That will be a first.

Mr. Barrett: Well, if it is a first, it is a horrible example to start with. It is a hell of a mess and I cannot say that either, Mr. Speaker.

An hon. member: Well, don't say it.

Mr. Barrett: I will not say it.

This government has completely sold out in terms of any commitment to ordinary Canadians, to small business in this country, to working men and working women and sits there smugly saying: "We are not going to do anything to get us out of this mess because we did everything we could to get us into it".

• (1230)

That is its philosophy. Every single one of its policies brought us to this situation. The goods and services tax was part of it. The North American free trade negotiations with Mexico are stalling corporate investments, both internally and externally, in this country. How are we going to recruit foreign capital when we have to say that our wage structure is higher here but we are willing to join to have access to our market with a low wage partner in Mexico?

Do you think a German, Japanese or any international entrepreneur will invest in Canada when we are prepared to give away our markets to both Mexico and the United States? They are not stupid. However, this government, along with the GST, along with inadequate protection of our own Canadian markets, our own manufacturing base, entered into those two trade deals.

Now the government bleats about the debt. I have heard the government cry about the debt. I see the Liberals and the Tories complain to each other about who increased the debt most first. What an absurd argument. Who increased the debt most first? They are both lousy managers. They have both squandered away

the resources of this country. They have both abandoned a sense of incorporating the wealth of this nation into some kind of sense.

An hon. member: Truth at last.

Mr. Barrett: There is a god-given cornucopia of natural resources in this country: the oil industry, the gas industry, lumber, fisheries. All of those god-given natural resources are available to the 27 million of us. This government squandered that cornucopia and arrived at a situation in which there are 1.5 million unemployed and a massive public debt and then it says to the very people who's money it took out of their pockets in the first place: "You have to dig deeper to pay up for the mess we have created".

An hon. member: Shame, shame.

Mr. Barrett: Lewis Carroll, if he were alive today, would be embarrassed. *Alice in Wonderland* becomes a reality and these guys become the biggest fairy tale of all. Who is the walrus over there? Who is the Mad Hatter? It changes hats with the Minister of Finance. Whoever the Minister of Finance is under the Tory government is the Mad Hatter and gets the hat.

What a bunch of wrecking crews. What a bunch of incompetents. How could they take a major economy that is a principal actor in the world, in the G-7, and turn it upside down into a disaster? Only the Liberals and Tories could figure out how to do it.

Mr. Lewis: What about B.C.?

Mr. Barrett: I left surpluses in B.C., balanced budgets plus $600 million worth of assets. I will put my seat up against anybody who says otherwise.

Having said that, I am just a socialist. I just made money. It was against the law for socialists to make money on behalf of the public. We did it anyway. We set up our own Crown corporation known as the British Columbia Insurance Corporation. Has one right winger who has been elected since in that province got rid of it? Come on, stand up. They have not because it makes money.

One thing that should attract the heart and soul of every Tory is a corporation that makes money. We can talk about resources. We can talk about a sense of commitment. We can talk about sensitivity to people but that will not get their attention. However, if we tell them how to make money, ding the bell goes on. Actually, the light goes on and the bell rings. Even the light going on and the bell ringing does not mean that they learn anything.

I want to use my last few minutes to give a primary economic lesson. The debt owed by this country requires 32 cents of every single dollar taken in to just pay the interest. Do we agree with that? Yes, we agree with that.

As an aside, these birds moan, squeal and cry about the Ontario government increasing its deficit. Ontario pays 7 cents on every dollar for debt servicing, and let us say it goes to 9 cents. This government would love to have that debt leverage ratio. It is 32 cents under the Tories and 7 cents under the NDP, who inherited a mess from the Liberals which I will not talk about. Seventy per cent of the debt owed by this country is internally financed. We are in hock for 70 per cent of the money we owe internally into this country.

One of the resources we have in this country is our own indigenous capital. We should not be afraid of it. This government has finally discovered a bit under the program of using RRSPs for down payments on homes. I do not think that is the best way of using that money, but at least the Tories have got it through their heads.

Do they understand what a bond is? I think so. They sell Canada savings bonds to raise revenue internally to meet both operating costs and debt payments. This government is not against Canada savings bonds. The Liberals are not against Canada savings bonds. Neither is the New Democratic Party.

What I have offered is another type of bond to attract savings in this country so that we can have a massive opening of expenditure in public works that would employ tens of thousands of people in this country. It would not cause the Government of Canada to go into further debt but would allow some imagination in deferring taxation on RRSPs.

It was *The Globe and Mail* of Canada, not an NDP newspaper, that took the trouble on February 10 to print this brilliant article explaining how one could use a municipal bond out of an RRSP in financing massive restructuring at the municipal town or city level right across this country. This brilliant article was written by

one David Barrett, the former premier of British Columbia, and printed in *The Globe and Mail*.

An hon. member: It only lasted three years.

Mr. Barrett: Sure, it only lasted three years. Do you know why? It was because the Liberals got into bed with the Socreds. The Tories got into bed with the Socreds. They all represent the same interests. Once they were in the political bed we do not know who was doing what to whom, but we know who felt the effects. It was a political *ménage à trois*, and that is the limit of my French.

In any event, here is an opportunity based on the American experience from the 1930s to fund municipal bonds to provide for a basic restructuring of every single city, town and village in this country. It is very simple. It is so simple the Tories are baffled by it. It will not cost them five cents. It does not cater to the middle class as a tax exemption. It does not give speculative benefits to house buyers in the long run. It is simply an option to provide a low cost bond out of the RRSP and into a municipal bond that pays 4.5 per cent and allows the owners of the bonds, if they keep the capital in the RRSP, to accumulate the interest and at the end of a 10–year period take the money out tax–free and spend it on their kids or spend it on themselves. At the same time we have had 10 years' use of a massive amount of capital.

How much money am I talking about? By the government's own statistics there is now $103 billion in RRSPs. The next question is: "Where do you think that money has gone?" We are going to deal with that. Do not get impatient, I will take the House through it step by step. Half of the $103 billion is self–directed.

I understand, Mr. Speaker, that my time is up. Perhaps some merciful colleague will ask me a question so that I can complete this.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, on February 26, 1992, at page 7617 of *Hansard*, the New Democratic Party policy on capital cost allowance was definitely enunciated in the House by the member for Essex—Windsor of the New Democratic Party. He referred to capital cost allowances as "yet another new tax loophole to the manufacturing sector in this country, an increase in the capital cost allowance, which nobody has ever indicated increases investment any place in the world".

• (1240)

We were all astounded by this announcement of New Democratic Party policy that capital cost allowances were a tax loophole. I want to know just how far New Democrats will carry this new policy. Would they suggest the elimination altogether of capital cost allowance? What other wrinkles do they have in the policy they very clearly suggested which will devastate the manufacturing industry of Essex West and the Windsor area? I just wondered if my hon. friend could elaborate on why they are eliminating capital cost allowance from the tax system in Canada.

Mr. Barrett: Mr. Speaker, a capital cost allowance under the program that I am outlining would save the taxpayers of this country hundreds of millions of dollars and at the same time have a protected benefit for that investor.

Here is what I am saying. If you have $50,000 in your RRSP and you lend it to the municipalities through a federal government agency at 4.5 per cent, in a 10–year period you will accumulate approximately $25,000 of interest inside your RRSP.

Mr. McDermid: Tax free.

Mr. Barrett: Tax free, absolutely. At the end of the 10 years I suggest—

Mr. McDermid: It sounds like a loophole.

Mr. Barrett: Oh, it is not a loophole. Wait until I tell the minister how much money we make on it. I suggest at the end of the 10 years you be allowed to take out the amount of money that you made in interest from your RRSP as a lump sum tax free.

Mr. McDermid: And it doesn't cost the taxpayer anything?

Mr. Barrett: Oh, wait a minute.

Mr. McDermid: We want the exact period that it is tax free.

Mr. Barrett: Mr. Speaker, it is painful to take these people through a new idea step by step. We had to do it in socialized medicine. We had to do it on hospital insurance. We had to do it on all kinds of programs, but I will take them through it painfully. Perhaps if they would listen they could steal this idea. I would be the last to say

I authored it. I would be silent and say: "Lord, bless the Tories for providing jobs for the Canadian people".

Can we see it now? If they want that to happen they will just listen quietly. Allow half of the money available in the RRSPs, over $50 billion that is not self-directed, to have access to a municipal bond at the choice of the purchaser; no government order, no government structure.

Mr. McDermid: Where do you think the money is now?

Mr. Barrett: Where do I think the money is? Part of the money is going to Mexico. This study confirms that the Royal Bank of Canada will be expanding its infrastructure in Mexico using Canadian funds. I am saying: what the heck, if it is good enough for disposable or reinvestment funds to go to Mexico, sure as goodness' sake they should stay right here in Canada, and I am giving that option.

Mr. McDermid: What silliness.

Mr. Barrett: Oh, Mr. Speaker, there is no use trying to convert. There is none as deaf as those who do not want to hear.

This bond program was initiated by Franklin Delano Roosevelt in the United States of America in the middle of the 1930s when disposable income and/or massive savings were not as available as they are under the RRSPs. It was part of a boot-strap operation of revitalizing the American economy. It was one of many public instruments used by the Roosevelt administration to get the United States out of the depression it was in. This is a modified form of the United States Ginnie Maes, municipal bonds, as they are known in the United States. This would allow the municipalities right across this country to implement a study that was completed in 1985 which pointed out in detail what kind of infrastructure renewal was necessary in this country from coast to coast to coast. The study is there. The study is there on the RRSPs.

It is simply a matter of government will to understand that if we are going to get out of this recession we have to get out by our own bootstraps, using our own means and our own leadership.

We cannot cry wolf around the world. We cannot hide and say that things will get better, we hope. But we can use positive public instruments to get us out of this mess and put people to work.

Every single person who goes to work—and this is news to the government—pays income tax. Guess who gets the income tax? The government. Every single person who has a wage also pays GST. Guess who gets the money? The government.

Unemployed people do not pay a good rate of income tax. Unemployed people are not able to purchase and therefore pay the GST. If we put people to work using indigenous capital that needs to be mobilized in this country, the government will make money.

It will not pay it out in welfare, not pay it out in unemployment insurance, not continue a class division of Canadian citizens, but it will give Canadians something to look forward to.

For most people, all they want is a pay cheque. They do not care whether the cheque is in French or in English; they simply want a pay cheque so that they can maintain some dignity, some self-respect about their life in this country and achieving their own goals. Wisdom is what is lacking. Wisdom and political will.

In conclusion, I know this has been an edification for members of this House. This is not a political instrument. This is common sense used by the Americans. If we cannot use common sense, what hope is left for this government?

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I am pleased to have the opportunity to rise and participate in the debate on Bill C-61. There are a number of things I would like to say with respect to the budget.

There is a great temptation when one speaks after the hon. member from Esquimalt—Juan de Fuca not to make one's own speech but to respond to his. However, his was so full of fiction I am not sure that there is really any point in doing that. I would rather talk about what this budget is, rather than what it is not.

The actual debate before us is Bill C-61, the Borrowing Authority Act. I think it is important to comment on that because it is an important element of the budget but

it is also an important part of the democratic process of government.

It is a bill that gives authority to the government to borrow money to operate with. It is a fundamental principle of parliamentary democracy that there should be no taxation without representation. That is what the borrowing authority bill is all about. It is legislation such as this that gives the government the authority to carry out the mandate it has been given by the people.

I want also to observe that significant progress is demonstrated and reflected in this bill. Last year the government's borrowing requirements were of the order of $30 billion.

I am very pleased to note that it has been reduced down to $24.7 billion this year, and look forward to further progress until over the next four or five years we will actually reach the point where the government will not have a borrowing cash requirement. That, indeed, is a sign of the tremendous progress that has been made by this government.

The budget that was brought down by the hon. Minister of Finance three days ago is beginning to show that Canadians are going to reap the benefits of the tough budgets that were brought in by the previous minister over the previous seven years.

The budget was not always brought in and received with overwhelming enthusiasm, I might say, by my hon. friends on the other side, not to mention with enthusiasm by everybody from coast to coast in Canada.

However, people like governments to govern in the interests of the nation; not simply to spend the taxpayers' money, giving the taxpayer little goodies that will make it popular and then get re-elected as a result of that. No.

What the people expect of government is responsibility. They expect government to do what needs to be done. Unfortunately, as has been alluded to by other speakers in this debate, when this government came into office it not only inherited a $200 billion debt which was accruing interest every year, but also it inherited a $16 billion operating deficit.

It is extremely commendable that during seven years of tough measures that have included not only reduction to the expenditures, but also have involved the introduction of taxes, which nobody likes to see happen, the result is we are now in a position where the government is operating on a $12 billion surplus, a $28 billion turn around.

• (1250)

My goodness, this country would be in a fantastic position today if we did not have the legacy of the previous government. That is the $200 billion debt, the interest on which has compounded to the point that that debt now exceeds $400 billion and would be more if it were not for the fact that this government is operating in the black and therefore is paying down a certain amount of that debt.

We have been through a recession and it has been tough. It has been tough on people from one end of this country to the other. We are also going through extraordinary economic changes throughout the world. We have to be cognizant of the fact that the recession is there and it has had an impact.

In fairness, we also have to recognize that Canadians and the Canadian economy have come through this recession in much better shape than virtually all of the other industrialized countries. This is because of the responsible measures that have been taken by this government over the years it has been in office.

It is thanks to the budgets of the former minister and the government's trade policy, much maligned by my hon. friends opposite, that Canada is so well-postured to take advantage of the global economy of the 21st century.

That is not to understate the problems that are faced by Canadians today and the difficult times that Canadians have faced in the past. When recessions occur, bankruptcies occur; people lose their jobs. When a job is lost, or a business goes under, it is a calamity and it is a personal tragedy. That should not be undersworn by anybody in this House.

In our region of Atlantic Canada, we have had a compounding effect because we have had a problem in the Atlantic fishery and people are particularly aware of the recent cutbacks that have been forced in the northern cod stock, the 2J-3K-L stock, that is going to have a profound impact on 2,500 to 3,000 people and their employment prospects over the next few months.

I expect this government will respond. It is hard to find money these days, but this government responded to the previous crisis with the Atlantic Fisheries Adjustment Package, with the Catch Failure Program and with other programs under the Canadian Jobs Strategy that will help people in communities to get by these difficulties.

Similarly, we have been negatively impacted by the over-capacity in the pulp and paper market. That is seen, for example, in Liverpool, Nova Scotia. It has seen cutbacks at the Bowater Mersey Paper Company. It has meant that people have been laid off. Fortunately, the signs are improving and there are some additional hours of work going in there. It has certainly impacted on the people that have wood lots who do not have the opportunity to sell as much as they would like of the wood that they cut.

Finally, of course, we face the challenge in our agriculture. I want to say that the whole issue which is before the public has been with those of us who have an interest in agriculture for some months. The concern over the supply management system and the preservation of food security in Canada is critically important to my province of Nova Scotia, as it is from coast to coast.

I encourage all members of this House to wholeheartedly support the vigorous efforts under the leadership of our Prime Minister. We must see that we get the outcome in the GATT negotiations that will preserve the very important food security, will preserve the culture of the family farm in Canada and will ensure that Canadian consumers can always get fresh milk and eggs and chicken and turkey and so on at the store.

We have to recognize that we do have tough challenges, but we will continue to meet those challenges. This budget signals a turn around for Canada. It clearly signals that economic recovery and sustained growth are beginning to occur and are well under way. The budget contains action to further stimulate that recovery.

There was a lot of speculation as to what was going to happen in terms of taxes. Nobody likes taxes. I think the Minister of Finance has hit a home run the first time out when he comes in with a budget in which there are absolutely no new taxes and indeed, there is a modest reduction in personal income taxes.

Now, my hon. friends opposite, of course, have decried that reduction as being inconsequential. I do not think it is going to be inconsequential to the taxpayers who find that they are getting a few dollars back in their income tax returns for this year and, indeed, for future years.

Similarly, the home buyers plan is going to be of tremendous benefit to many, many Canadians where individuals can withdraw up to $20,000 from their RRSP tax free to buy or build a home and repay it over 15 years.

I have already had phone calls from a number of people in my constituency and other parts of the country who were really delighted to see the government accept the recommendation that had come from the Canadian Real Estate Association and various other bodies, including my hon. friends opposite, because it will be tremendously beneficial and have a stimulative effect on our economy.

At the same time, I have heard a lot of—I was going to say yapping but that perhaps is not polite and parliamentary—noise from the other side of this House suggesting that nothing has been done in this budget to assist people currently unemployed in Canada.

There are two philosophies about where jobs come from. The philosophy that seems to prevail on the other side of this House is that the only way to get people employed is for the government to employ them, whether in make-work schemes, the expansion of the Public Service, the creation of new Crown corporations or the creation of advisory boards, agencies and so on.

We had that kind of government for many years in this country and we saw the legacy of debt, the millstone of debt, that it left around the necks of the Canadian people.

I do not think that is the way to create jobs. The proper way to create jobs is for the government to recognize that it is private industry that employs people, that it is up to business, flourishing business, to provide employment opportunities as well as opportunities for people to make money.

It is business that creates jobs. The processing and manufacturing sectors not only have tremendous potential for creating jobs but allow us to build and enjoy the benefits of the resources this country is so blessed with.

Exports create jobs. This budget and this government's policies are built around the principle that it is the private sector that creates employment opportunities, that creates wealth for the country and not expenditures by government.

Two much maligned policies of this government in the past, the GST and the free trade agreement, are major cogs in preparing Canada to take advantage of that.

My hon. friends opposite like to decry these things. Quite frankly, they have been very successful in convincing many members of the public that these things have had a negative effect when in fact the negative impacts which have caused us so much difficulty in the last year or so are really the results of the recession more than anything else.

The GST and the FTA have provided a sound basis for the development of our economy and for the increasing competitiveness of Canadian manufacturers. Mr. Speaker, you do not have to take it from me, you can take it from the Canadian Manufacturers' Association or the Canadian Exporters' Association.

I would like to read a letter that the Prime Minister received recently from Mr. Vim Kokar of the Early Canadian Furniture Shops. He writes to the Prime Minister: "Dear Prime Minister: These have been very difficult times for many Canadians. Some of your endeavours have been very unpopular and I feel it has been very courageous on your part to introduce initiatives like free trade and the GST to enable us to compete in the international markets".

He continues: "The furniture business has been hard hit in Canada. It took a while to adjust to the new realities of the marketplace, but I am pleased to report that free trade has brought us new opportunities. This year our sales have doubled and we can clearly see a prosperous future ahead".

The results of the free trade agreement and the GST are an increase in Canadian competitiveness and an increase in market opportunities abroad for Canadians. We are going to see more letters like this as these policies continue to come into effect.

We listen to the people who are actually running the businesses. They are the people who are actually creating the jobs, not the labour unions. Labour unions do not create jobs. I would not, but some people would suggest that the role of a labour union is to feather-bed jobs. I think that is pretty harsh.

Where are labour unions coming from? They are supposed to protect the jobs of the individuals who are members of the union and get the best benefits. That is their job. That is why their members pay union dues. They are supposed to do that. However, let us not view them as objective critics of a trade policy that might mean adjustment in employment, both coming in and going out, both ways.

• (1300)

We ought not be misled by people who have a vested interest in seeing Canada in terms of the old fortress mentality with high walls around it so that we do not have to face realities, such as competitiveness, which are there whether we like them or not, whether this government is in power or some other government is in power. Those things are not going to change.

The budgets of this government over the last few years have had an extraordinarily positive effect in terms of creating the kind of climate that has led the members of the G-7 and the OECD to say that Canada has the best prospects for growth of any country in the G-7. They have contained inflation. They have established price stability. They have led to low interest rates, down seven points in the last 18 months. The dollar has levelled off at a rate that enables Canadian companies to be reasonably competitive. They have the deficit under control. These are the results of the sound fiscal management of this government.

The budget that was brought down the other day clearly shows that we are beginning to reap the dividends that have been the result of those tough budgets of earlier years that were so decried by hon. friends opposite. Cuts in spending by this government have now led to cuts in taxes. Cuts in spending by this government have now led to a $4 billion reduction in the deficit this year, and we can look forward to further reductions in years ahead.

The budget reflects what Canadians said. This Minister of Finance, probably more extensively than any Minister of Finance before him, went coast to coast in

this country listening to what Canadians said to him so that his budget would reflect what Canadians wanted.

That is one of the reasons this budget has been so well received from coast to coast. Canadians said they wanted realistic lasting solutions, not quick fixes. They said they wanted reductions in deficits. They said they wanted streamlining of government. They said they wanted social programs that are targeted at people who really need them.

We have heard a lot of gnashing of teeth in this House about universality. I happen to believe that most of the people who I represent in this place think that things like family allowance should not be paid to rich people, that such resources as we can allocate for family allowance should be targeted at the people who need them most.

Consequently, we have the white paper on the new child tax benefit which streamlines the system, provides a more responsible system and is better targeted to see that the dollars available are used for the benefit of the people who need help the most.

I am pleased to see that the new benefit will be paid on a monthly basis as opposed to what we have now which is a small monthly payment and a big lump sum at the end of the income tax time. By paying it out on a monthly basis it seems to me that not only can families make better ongoing use of that money but the money is more likely to stay in the community.

A pharmacist from Lockeport called me the other day and said he was particularly pleased with that aspect because with a big lump sum people are more inclined to go off to the city or somewhere and go on a spending spree. But if it comes on a monthly basis they will spend it in their own communities and there will be a local benefit. He is absolutely correct.

Canadians said they did not want any new taxes and they did not get them. Indeed, they got a modest reduction—

The Acting Speaker (Mr. Paproski): Order, please. The hon. member will have three minutes remaining when we return.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that messages have been received from the Senate informing this House that the Senate has passed the following bills without amendment: Bill C–35, an act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of a non–controversial and uncomplicated nature therein and to repeal certain provisions thereof that have expired or lapsed or otherwise ceased to have effect; and Bill C–57, an act to amend the Canada Pension Plan.

* * *

THE ROYAL ASSENT

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

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

And being returned:

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

> Bill C–35, an act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of non–controversial and uncomplicated nature therein and to repeal certain provisions thereof that have expired or lapsed or otherwise ceased to have effect—Chapter No. 1.
>
> Bill C–57, an act to amend the Canada Pension Plan—Chapter No. 2.
>
> Bill S–2, an act to implement conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and the prevention of fiscal evasion and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes—Chapter No. 3.

* * *

BORROWING AUTHORITY ACT, 1992–93

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–61, an act to provide borrowing authority for the fiscal year commencing April

1, 1992, be read the second time and referred to Legislative Committee E.

The Acting Speaker (Mr. Paproski): The hon. member for South Shore has three minutes remaining.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I am pleased to have a bit of time to complete my remarks.

I was commenting on the many measures in the budget government has provided that are going to create the kind of climate for a business to flourish that results in job creation. I know that is a subject of concern to all members of this House.

The reduction in the manufacturing and processing tax is one example. Another example is the increase in the capital cost allowance, critically important to business, though I noticed my friends in the New Democratic Party consider it a loophole, which is rather bizarre. The reduction in the reciprocal withholding tax, increased incentives for R and D, and changes in capital gains exemption that will encourage investment in manufacturing are other examples. It is important to note, with respect to people who have properties now they were thinking of selling, that comes into effect on the date of the budget and not before. Further examples are enhanced support for small business and encouragement for the growth adventure capital funds.

All these are examples of items in the budget that are going to result not only in the flourishing of business but in the increasing of jobs. I believe the minister anticipates an impact of 500,000 jobs.

This is the kind of performance that the minister has delivered. He showed that he listened to Canadians. He has further listened to them by reducing wastage in government and unnecessary spending, the rationalization of some 46 agencies or indeed the abolition of those that are no longer required. We hear gnashing of teeth because a particular agency is going to be dissolved, but perhaps when that agency was established there were not all the private sector agencies performing the same functions. Why unnecessarily spend the taxpayer's money?

There are some significant, symbolic changes that will save a few dollars but, more important, will send a message to the people of Canada such as getting rid of first class air travel. I do not know why we ever had first class air travel at the expense of the taxpayer. The ministers themselves have bitten the bullet and taken a reduction in their own incomes, and I commend them for doing that.

I am delighted to see the continued improvement in benefits for disabled Canadians. It must be a goal of all members of this House, I am sure, to see measures brought in that are going to encourage the economic integration of these people into Canadian society and to ensure that each has the right to earn a living, to live with dignity and to make their contribution to Canadian life.

It all adds up to a good future for this country. I am sure all members of this House will want to join with me in commending the Minister of Finance for the outstanding job he has done in bringing forth this budget.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, I listened with great attention to the previous speaker and I have two questions. If it is such a good idea and such an enormously successful budget, why are they at 11 per cent?

The second question I am sure I will be asking him next week is why they are at 6 per cent.

An hon. member: We do not want to peak too soon.

Mr. Skelly (North Island—Powell River): He does not want to peak too soon. I knew there was a good reason.

I wanted to ask the member about something more important. It involves the cutbacks in the budget to legal defence funds and advocacy agencies. In the community of Powell River there are 22 women who have been driven out of their jobs by the Canadian Imperial Bank of Commerce. It has refused to bargain with them in good faith and they are now out of their jobs, over Christmas and continuing on, and strike-breakers have been hired by the bank to go in and replace these unionized workers.

Today we asked the Minister responsible for the Status of Women if she would meet with these women to discuss the kinds of problems they have. The Canadian Imperial Bank of Commerce and the other chartered banks in Canada have a disastrous record with labour relations and the exploitation of women. The federal government has to get onboard. There has to be activity within the Department of Labour to inquire into the kinds of activities that are going on there. The Minister responsible for the Status of Women made an absolutely obscene comment today, that she does not think it is her role to get involved. In virtually every single case it is

women who wind up in this situation. It is strictly union busting.

• (1320)

Thousands of people in the community of Powell River signed a petition to attempt to get this government to act because they recognize the absolute injustice. This is not a question of the fairness of the bargaining process. This is an absolute distortion of any sense of justice there. These women need the help of this government. They need advocacy services from the Department of Labour. They need advocacy services from the Minister responsible for the Status of Women. All women trapped in this vicious circle of union busting and discrimination and exploitation in the chartered banks of Canada need some protection. It can only come through a public inquiry into this activity. It is 22 women here today, it is 22 more women in another community. They partition them off, branch by branch, bust the union and get rid of the women who they no longer want in there because of the union organizing or even a hint of it.

If the chartered banks were playing fair with their workers and with the women in many cases who work in those banks, there would be the right to bargain collectively with their employer, but they have effectively destroyed it. This budget goes a distance in helping to even erode their position further with the Minister responsible for the Status of Women refusing to meet with them, refusing to countenance in any way a public inquiry into the exploitation in those chartered banks, particularly the Canadian Imperial Bank of Commerce.

In Powell River the citizens of that community are shifting to unionize financial institutions, saying at least in the credit union there is enormous growth going on and very positive activity because of this harshness.

The second thing is there is a movement in that community and other areas to transfer RRSPs out, to resist any purchase of RRSPs from the Canadian Imperial Bank of Commerce.

Finally, before the member answers the comment, there are the kinds of promotions that have been going on. Citizens should get behind cancelling these activities, no more RRSPs with the CIBC while their labour practices are so nefarious, no more purchase or acquisition of arrow gold Visas put on by Air Canada and the CIBC. There must be some action on the part of this government to help citizens who are attempting to help these women and to assist the women themselves against this exploitation.

Mr. McCreath: Mr. Speaker, I am not sure how much of my 10 minutes is left. I am not sure if my hon. friend was asking questions or giving his own speech, but I listened with great care nevertheless and I will certainly take advantage of what time remains.

He raised a number of issues and questions, and I will try to respond to all of them, though I think perhaps the issues on the status of women are kind of outside the realm of a budget debate.

He talked about polls and I would remind him, there is but one poll that counts and that is the one on the election day. I would remind him that in the last two general elections this party has done extremely well in those polls.

Mr. Skelly (North Island—Powell River): On a point of order. I know my hon. colleague erred when he said the matters affecting the status of women were outside the scope of the Conservative budget. I know that he wants to immediately correct that statement. He does not want that to appear in the record.

The Acting Speaker (Mr. Thorkelson): That is not a point of order. That is furthering the debate.

Mr. McCreath: Mr. Speaker, what I said was this was a debate on the budget, not on the status of women. That is what I said.

My hon. friend concerns himself with the funding of advocacy groups and organizations. One of the things that it seems to me that has gone on in this country is that anybody who wants funding from the government gets it. I wonder at what point there is an appropriate role for the citizens of Canada, people who have a strong interest in whatever that particular advocacy group is about, instead of having their money impounded in taxation and handed out to advocacy groups, should fund their own advocacy groups.

The Court Challenges Program is a different circumstance. I appreciate my hon. friend raising that. When the charter came in, we did not know what the legal implications of it were. I think it was most appropriate that the government set aside funds to assist Canadians who may have legitimate issues or challenges against the charter or indeed against the government to determine exactly what the extent of their rights were under the charter. I think it was appropriate that that fund existed for many years. Indeed, as a result of that fund we have a legacy of many court cases that have gone a long way toward clarifying the implications of the charter. There comes a time where the purpose for which the fund was established has been achieved. Therefore, as with other government programs, they should not be funded *ad nauseam*. They are established in response to a need and when that need has been attended to, that is the point at which the fund should cease to come out of the pocket of the taxpayer.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, today we are debating the bill wherein the government is asking this House for permission to borrow money. How much money do the Tories want? I guess that is the first thing we should decide. They want $24,700,000,000. That is just so that Canadians know what it is we are discussing today.

We are discussing whether or not we should give those Tories $24,700,000,000. There is no need to spend 20 minutes debating that question. The answer is no. No. This government does not have the confidence of this House to run the affairs of the nation nor, of course, should this government be encouraged to go on any further. This government should step aside and let someone else take over.

This government recently tabled its budget. In that budget it announced very little.

[*Translation*]

There is, for instance, a provision for using registered retirement savings plans to buy a principal residence. I am pleased that, at least in this respect, the government listened to the Liberal leader and member for Beauséjour who made just such a suggestion. That is something good. The Conservatives understand a few things.

A few days earlier, the government opposite also decided to reduce the amount of the down payment on a new house. Again, this is great. The government listened to the suggestions made by the Liberal Party. I must also point out that the government agreed to cut $75 million spent on advertising and opinion surveys—maybe I should use the word propaganda—but anyway, I say again, that's great. It is a very good initiative. We must also remember that last year, with the government's prosperity program or prosperity agenda—I think that's what it's called—expenses had already increased by some $25 million. Therefore, Canadians should not think that the government has rediscovered virtue. It is not quite that. The government simply reduced the excesses that were already in the budget.

Moreover, I am pleased to see that they have finally understood the importance of stimulating the production of ethanol in this country. I must congratulate the hon. member for Lambton—Middlesex, who has been urging the government to provide such incentives for a long time. Enough praise, Mr. Speaker, because the rest is not quite as rosy.

Several members asked for the creation of an economic recovery program. The member opposite who spoke a few moments ago told us that we were coming out of the recession and that things would improve. I hope so. However, I have in front of me an article by Eric Beauchesne, a journalist with Southam News, that gives us some facts.

[*English*]

This story is entitled: "Full recovery five years away".

• (1330)

Let me read what the story says: "The economy will not fully recover from the recession for another five years". That is what the finance department concedes in a sobering admission buried in the budget papers. "As bleak as the outlook is, the budget papers also warn that there is a risk that it could be worse". That is five years if things go right to get us out of the recession.

This is not according to the member for Glengarry—Prescott—Russell. It is not according to an independent, objective person like Mr. Speaker either. No, no. That is not the way. That is according to the finance department of the minister across the way. Apparently it is going to

take five years to get us out of this recession if things go right. It could be worse if they do not.

What I am saying is that we need concrete measures to get us out of the recession. I know the members across the way say: "Oh, well, a government should do nothing. Things will resolve themselves". Perhaps they will, but why should we take that chance? Are we not elected to govern? Or are we elected not to govern?

I suspect that we are elected to do something. I do not want to pretend here that we need to dig holes and bury them again to find things to do. That is not what I am advocating at all and that is not what the hon. Leader of the Opposition suggested either. He suggested that we invest in capital works, real works, real jobs.

I will give an example. The Perley Bridge in my riding between Hawkesbury, Ontario and Grenville, Quebec was built in 1931. I know, Mr. Speaker, you were wondering how long it would take before I got around to talking about my riding. It was built in 1931.

That particular bridge in 1975 was declared to be virtually finished, done. It needed to be replaced. As a matter of fact, I have correspondence from the Ontario Minister of Transportation at the time when he, the Conservative Minister of Transport, was refusing to get involved in the construction of a new bridge. This was at the request of the federal government.

We are in 1992. The bridge has been repaired a countless number of times. It needs to be replaced. Government has said that it wanted to replace it in 1995, but so far it has not even obtained an agreement with the two provinces in order to proceed with, not the construction of the bridge, but with the environmental assessment necessary prior to the drawing of the plans which are a prerequisite for the tendering which will be followed by the construction of the bridge.

Do you think the bridge will be finished by 1995? Surely not. I wrote a letter to the Minister of Public Works about two weeks ago and challenged him. He said: "The Ontario NDP premier", the guy who is busy closing hospital beds, Bob Rae, "has said that if the federal government wants to participate in a capital works project, it would match it dollar for dollar".

"There it is," I said, "surely, we will have a new Perley Bridge now if the federal government can get the province to match. We will have a new bridge." It did not happen. There was nothing in the federal budget.

[*Translation*]

What is worse, Mr. Speaker, is the number of closures and lay-offs in the riding of Glengarry—Prescott—Russell. Allow me to give you a few examples just for the Hawkesbury region and Prescott county. I could also go on all day about closures in Glengarry county. You will remember the closure last summer of Glengarry Transport, GTL, in Alexandria, which meant the loss of 1,804 jobs. However, in the next few minutes I will tell you about some closures in the Prescott county area. Listen to this.

The Firogan plant closed on November 29, 1991: 20 people were laid off; the Fashion Town plant closed on December 28, 1991: 28 people were laid off; on October 31, 1991, Hawkesbury Paving went bankrupt: 8 people were laid off; in Saint-Isidore de Prescott the candling operation belonging to Maurice Lamoureux closed down following a sale: 35 people were laid off.

In December, Canadian Plastics laid off 16 employees; Bertrand et Frères laid off 40; Noreast laid off 100 for two weeks; the Fib-Pak plant in Hawkesbury laid off 18 in November because of a drop in the market; Amoco Fabrics laid off 16 because it said it was restructuring. *Le Droit* reported that Dominion Textiles laid off 86 employees on January 17, 1992.

I have a paper here which says that in December, the unemployment rate in Prescott county was 15 per cent.

[*English*]

Here is a story from the *Standard Freeholder* in Cornwall entitled: "Claims for UI come close to setting record." That was on December 28, 1991.

Here is another story. This is for the government across the way which thinks things are getting so much better. I really wish they were, but that is not the case right now, at least not in my riding. "All-party committee told eastern Ontario needs job help". That was August 28, 1991. Imagine if we needed job help then how much we need it now.

"Canadian Pacific Forest Products, Hawkesbury, to close doors after 88 years in the community". The closing of that factory caused the permanent lay-off of 51 employees, 35 of them were lab technicians, scientists and the like. That is a research lab that closed down in my constituency.

We all know how many jobs Canada has been losing since the free trade deal, since the government allowed the dollar to increase so much by propping up our interest rates.

In eastern Ontario, the area I represent, we have also had a loss of federal government programs that would encourage industry to establish in this area of traditionally high unemployment.

Let me describe some of the programs that previously existed. At one point we had a program called the Canadian Industrial Renewal Board, CIRB. There was another program known as the Industrial Regional Development Program, IRDP, as well as the Eastern Ontario Subsidiary Agreement, EOSA. All three of those programs were designed in some way to attract industry to our area so that eastern Ontario could get out of the economic situation that it was in.

All of those programs expired, were cancelled, or were just allowed to disappear. Nothing was reinstituted by the government across the way since 1984 so that we could attract jobs to eastern Ontario, the part of the country that I have the honour and privilege to represent in the House of Commons.

Now the government says: "Oh, well, we have adopted"—well, they don't quite put it that way, but the government in the budget says—"we have instituted the Registered Retirement Savings Plan initiative". You know, the one the Liberals asked them to do, the one I talked about a while ago.

That is fine. But what it did not brag about is the fact that it cancelled at the same time the Co-operative Housing Program. Yesterday, Canada Mortgage and Housing Corporation brought out some numbers which showed quite clearly that the new housing that will be created by the RRSP program is less than the housing that will be lost with the cancellation of the co-op program. In other words, Canadians are net losers as a result of both initiatives being announced at the same time, one good, one bad. That is the situation we are in. People all over this country really thought that the co-op program was here to stay.

• (1340)

[*Translation*]

Particularly in Quebec, for example, we know that the Co-operative Housing Program was very successful. Canadians living in Quebec used this program to build low cost housing that was very useful for many people.

So, Mr. Speaker, as you see, things are not funny. Besides tabling its budget this week, the government gave us its spending plans, or Main Estimates, if you want the technical term.

[*English*]

Here is what was announced in the budgetary estimates. In 1986 the Prime Minister, in Vancouver, after hearing Nancy Reagan make a speech—you know Nancy Reagan, the boss of Ronald Reagan— said: "Canada is suffering from a drug epidemic.". Some people scratched their heads and said that perhaps it was an epidemic. I see the Solicitor General is paying close attention to these remarks.

"There is a national drug epidemic," said the Prime Minister. Canadians said that if we have an epidemic and the Prime Minister said so, it must be true. After all, the Prime Minister is notorious for always telling the truth, of course. So we believed him when he said there was a national drug epidemic.

The Prime Minister then develops his national drug strategy. Yesterday when the estimates were tabled, do you know what happened? The national drug strategy was cancelled, which led me to ask a question yesterday in the House of Commons. I asked the Prime Minister, given he had said there was an epidemic in 1986, I wanted to know from him exactly when the epidemic was cured and by whom.

The Prime Minister, of course, did not answer the question. The minister of health stood up and he probably discovered at the same time as I did the program had been cancelled and was kind of stuck without an answer.

Little did I know then, but also another program that was cancelled was the Driving While Impaired Program or the program to stop driving while impaired. Again, a very useful program. It was cancelled in yesterday's budgetary estimates. That leads me to ask the question again: when was this particular epidemic cured and by whom? I invite the Solicitor General to answer that question as well as the others. Perhaps he has an answer and I am sure he will jump up in his seat immediately and answer this very important question.

I want to say in the few moments I have left that this budget will not do much to create jobs in my constituency and elsewhere in Canada. True, there is the registered retirement savings plan initiative, but as I said a moment ago, the cancellation in regard to co-op housing makes it such that there is a net loss in the forecast of home construction this year as a result of that particular announcement.

We were all elected to this place to do something. It is the role of government to be pro-active, not to just say that things will take care of themselves because that is not so although we could wish that they would. Frankly, given that the government has done so little in the budget, I still wish that things correct themselves, too. Why do we want to continue to make 1.49 million Canadians suffer in the meantime? Today 1.49 million Canadians are out of a job. How many Canadians are unofficially out of a job? How many Canadians are not even part of the statistics because they are working part-time. You probably are familiar with the work share program. Many people are only working two or three days a week right now. They are not even included in the jobless statistic we talk about of 1.49 million people.

[*Translation*]

As far as I am concerned, this budget is unsatisfactory. I am sure that all Canadians will ask the government in the coming days to make major corrections to the budget presented this week, in order to create employment so that the 1.5 million or so Canadians who are unemployed today can again earn their living in some way. For all my constituents, Mr. Speaker, that is what I want. I say to the government members opposite: It's time to act. They are now at 11 per cent in the public opinion polls. Canadians no longer have confidence in them, but they were still elected to make decisions, I admit. So, in spite of their unpopularity, they have a duty to act and to act immediately.

[*English*]

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, I wish to raise with the hon. member the dilemma of the cuts to advocacy services and support for advocacy operations within the offices of the Minister responsible for the Status of Women and the Minister of Labour.

In Powell River, British Columbia, the Canadian Bank of Commerce has driven 22 of its employees into the street, all 22 women, some of whom are single parents trying to raise families. It is determined not to bargain in good faith. It did, with undignified haste, drive those women out of their jobs before Christmas in order to make them and their families suffer through Christmas in the hope that they would come back, give up their union and take the conditions imposed by the bank.

It appears that another very crafty stunt has been put in place by the Canadian Imperial Bank of Commerce. It is spreading a rumour that it will close the branch and that when it removes itself from the community of Powell River and the particular mall an arrangement has been made with another non-unionized chartered bank branch to come in and replace it, leaving the 22 women totally devastated and completely without any hope of returning and bargaining. Actions like this on the part of the chartered banks are not uncommon, particularly the Canadian Imperial Bank of Commerce.

A plan of action set forward by these women and thousands of the citizens of Powell River by way of petition basically says that the Minister responsible for the Status of Women should use her offices to meet with these women and assist them to get back to the bargaining table and get their employer bargaining in good faith.

The Minister of Labour for Canada should be involved in attempting to bring these parties together, to meet with these women, to meet with the bank, to get them back to the table and to discuss with the bank what constitutes fair labour practices.

There should be, on the part of the Minister responsible for the Status of Women, the member for Capilano—Howe Sound, an initiative to create a widespread public inquiry into the practices of the CIBC and other chartered banks in the exploitation of women employees and the union busting activities that have been going on.

The final step in this is that all citizens who work in an organized labour operation, who support trade unions, should be transferring their savings out of the Canadian Imperial Bank of Commerce, transferring their RRSPs away from that institution, failing to take up any of the offers by advertisement or other inducements, and making it clear to the bank that they are doing so

because of retrogressive and unconscionable labour practices.

Finally, if the Minister responsible for the Status of Women is not prepared to meet with these women to take up the cause of exploited women in the community of Powell River, there should be pickets in front of her office in West Vancouver as soon as possible to get the point through to her exactly what her responsibility is to women in Canada.

Mr. Boudria: Mr. Speaker, I thank the hon. member for his question. As he knows I will be visiting his constituency tomorrow, not speaking to a gathering of his opponents. It is a totally different situation where both he and I will be together visiting a capital works project to be installed later right here on Parliament Hill. I want to answer his question directly. First of all, I thought the answer from the member for South Shore a few moments ago was totally inadequate. He said that this budget is not about the status of women, or something to that effect. I am paraphrasing here. I think that is wrong. This budget is about improving the livelihood of all Canadians, particularly those who need it the most. Of course, if you look at the hard reality, many women, particularly women with children and sole support women, are in serious financial difficulty in Canada. It is absolutely terrible and it is our job through budgetary measures to try and make their lives better. Therefore, I disagree with the statement that was made in that regard.

• (1350)

In terms of the actual bank in question, I do not know much about that bank. There are not too many branches of it in my riding. Generally, the banks in my own riding have a good record of employment of women. Perhaps it is the opposite of what it is elsewhere. There are a large number of bank managers in my riding who are women. Probably half of them are. If you include bank managers and assistant managers, there are a good number of them, perhaps close to half all together. Anyway, it is a significant number compared to other businesses. Therefore, it is not quite that bad in the constituency I represent.

I do agree with the member though that if a bank has been engaged in such practices as preventing people from having their legal rights recognized, it is absolutely awful to say the least. If other financial institutions in that area are going to pick up the slack when such an institution behaves that way toward some of its own customers, and after all many of those employees are customers and their families are also customers, it is to their own peril.

However, in the case of the employees it is not that easy. They certainly have my total and full moral support. I only wish that the Minister responsible for the Status of Women, who is a member from that part of the country, so near, could at least invite those people to come to her constituency office, some 50, 60 or 70 miles away. I am sure those people could get in their cars, drive to Vancouver and meet the minister if she would make time available. That, as far as I am concerned, is the very least the minister could do. Meet with them and listen to them. Obviously, she should go beyond that and help them as well.

[*Translation*]

I would also like to take this opportunity to talk about this whole issue of court challenges. Government must continue to provide funds, not only to deal with the kind of matters just mentioned, but also to deal with official languages. As a member representing a francophone community outside Quebec, I view most unfavourably the cancellation of the Court Challenges Program.

The Secretary of State told us today that we could seek the help of the provinces. I will ask members opposite if they are prepared to entrust Don Getty with the job of defending the rights of Franco-Albertans for instance? It is that dramatic. That is what the Secretary of State told us to do in his speech today, or rather in response to a question from the hon. member for Ottawa—Vanier.

This is also true elsewhere in the country, where several provinces do not allow francophones to manage their own schools. I suggest to my hon. colleagues opposite—I can see the hon. member for Beauharnois—Salaberry and others—and I urge them to look into this matter and to help us, francophones outside Quebec, restore funding for this program because we do need it.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now expired.

Mr. Guy Ricard (Laval–Ouest): Mr. Speaker, I welcome this opportunity to express my support for Bill C–61, an act to provide borrowing authority for 1992–93.

Every year, after the federal budget is brought down, Parliament is asked to consider legislation that gives the government the financing authority to carry out public works and to finance other activities of a general nature.

The government is requesting authority to borrow $24.7 billion for the 1992–93 fiscal year.

Like borrowing bills in recent years, this bill contains three basic elements: financing authority to cover the financial requirements for 1992–93, exchange fund account profits and a contingency reserve. Details of financial requirements are contained in the budget papers.

There is a provision in the bill to cover exchange fund account earnings which gives rise to additional Canadian dollar borrowing requirements. This is because these earnings are retained in the exchange fund account to provide the government with the capacity to intervene in foreign exchange markets. The total amount requested in the bill must therefore include an amount equal to those earnings.

There is a $3 billion reserve, the same amount requested in borrowing authority bills over the past years. This reserve provides for unforeseen contingencies such as foreign exchange transactions, seasonal swings in borrowing requirements and delays in passing future year borrowing authority acts.

The bill also contains some minor technical changes that more clearly link fiscal year borrowing authority with fiscal year borrowing requirements.

The $3.9 billion required to cover the refunding of bills issued in 1991–92 under section 47 of the Financial Administration Act guarantees that these borrowing requirements for 1991–92 are not charged against regular 1992–93 borrowing authority. As was said repeatedly in the course of this debate, were we to issue less than the $3.9 billion requested, the residual would be deducted from the 1992–93 authority. The 1989 legislation had a similar provision, without the cap.

Another new provision provides for linking borrowing authority with borrowing requirements for 1992–93, even if the legislation receives royal assent before the beginning of the new fiscal year.

Finally, under another provision, the borrowing authority becomes effective on April 1, 1992, for the purposes of determining costs related to borrowing under the provisions of this legislation. In the course of this debate, we have also been advised of the report on the government's debt operations. Each year's program is carefully designed to minimize debt costs and reduce exposure to increases in debt service charges.

Hon. members are of course aware that the government cannot implement its new borrowing program for 1992–93 before this legislation is adopted. I would therefore urge all members of this House to adopt this bill as soon as possible, so that the government can maintain the most cost effective approach to its borrowing requirements.

I will stop here, Mr. Speaker, because I see many more members are anxious to speak. Thank you for having given me this opportunity to do so.

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): The vote will be deferred until Monday, March 9 at six o'clock p.m.

It being three o'clock p.m., pursuant to Order made Thursday, February 27, 1992, this House stands adjourned until Monday, March 9, 1992, at eleven o'clock a.m., pursuant to Standing Orders 28(2) and 24(1).

The House adjourned at 1.58 p.m.

HOUSE OF COMMONS

Monday, March 9, 1992

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

VICTIMS OF CRIME COMPENSATION ACT

MEASURE TO ENACT

Mr. John Brewin (Victoria) moved that Bill C-310, an act respecting compensation for Canadian victims of crime travelling or posted abroad, be now read the second time and referred to Legislative Committee E.

He said: Mr. Speaker, I noticed the clock across from me has been sent off for repairs. It would be of assistance to me if I could be given a few minutes warning as I wind down to my peroration.

First of all, I appreciate the attendance of so many members in the House for this private members' bill. The bill would establish a federal criminal injuries compensation plan to cover Canadian citizens or permanent Canadian residents with protection if they are injured, while working or travelling abroad, as a result of a criminal act against them.

As the House will know, virtually every province has a criminal injuries compensation plan to cover its residents if they are injured as a result of a criminal act within the province. Virtually all provincial schemes not only cover Canadians who are injured within the province but also non-residents of Canada who suffer from criminal injuries within the province.

This bill is here because of two courageous people, Belinda and Mark Hillier, both of Victoria. Mark and Belinda in 1988 set off to Jamaica for what was to be their dream holiday. It was their first vacation overseas. They were looking forward to it. They went with friends.

While they were there they were the victims of a brutal crime. Two men got into their hotel room despite the security of the hotel in which they were staying. While in the room the two men robbed them, beat them and repeatedly raped Belinda Hillier.

The next morning, with no money left, they were given only a modicum of assistance to get out of the country and left with their holiday, their vacation and their lives in ruins.

• (1110)

Four years later they are still trying to recover from the trauma of this crime. I had read of their plight in the local newspaper, the *Times Colonist*. I called them and we had a chat. The story emerged not only of the crime itself but of the failure of our society to respond to their plight.

As I heard their story, I began recalling others of a similar kind. When we did some research into it, we discovered a gap in the protection applying to Canadians. While there are criminal injury programs at the provincial level covering the victims of crime, there is no such plan in place for Canadians who are working or travelling abroad.

I have introduced this bill into the House for the first reading and it now comes before the House for second reading. If my colleagues will agree before this hour is over, the bill can then go to legislative committee for detailed consideration. I ask the House to give it that approval.

As hon. members will know, if enough members keep going past 12 p.m. Ottawa time, the bill drops to the bottom of the Order Paper. I would ask members to consider the possibility and agree with me that it should be moved to legislative committee. I believe, from my consultations with members on all sides of the House, that this bill is a non-partisan idea. It is one which has appeal to members on all sides of the House. It is an important concept because there is a gap in our legislation and it should be dealt with.

Let me offer three fundamental reasons why we should have a criminal injuries compensation program that covers Canadians abroad. First of all, we already provide at least nominal assistance to Canadians who are in trouble overseas through our diplomatic service. That is one of the important functions of the diplomatic service abroad. We provide innumerable services to

Canadians when they are overseas. This would be an extension of that principle.

Second, many countries that Canadians visit or work in have no criminal injuries program which would cover visitors from Canada. When crimes occur against Canadians overseas, that protection is simply not available to them. In some jurisdictions it is but in others it is not. It is a gap which should be filled.

Third, it is interesting that most of the provincial programs do cover foreign visitors coming to Canada. That principle has been accepted at the provincial level. The only way this gap can be filled properly is for the federal Parliament to exercise its jurisdiction and establish such a program or at least the framework of such a program that would apply overseas.

This bill establishes the framework in this way. It would authorize the government to enter into agreements with provincial agencies to administer the program. The bill does not propose establishing a new comprehensive bureaucracy at the federal level. The bill proposes that the responsibility of administering each particular case would be delegated to each provincial or territorial agency so that if someone were injured overseas and had a claim they would apply to their local provincial board or agency that administers the criminal injuries program in that province. In some cases it is workers' compensation boards; in other cases there is a separate criminal injuries compensation plan, a board that would administer the local plan, for example.

It would then be up to that board to adjudicate the claim based on the federal regulations and to pay the claim on a basis financed out of the federal treasury. The federal government would be responsible for the payments of federal claims to be decided under federal regulation by an agency negotiated by the federal government. It seems to me that it is a simple administrative system which builds on the system that already exists in Canada.

The federal government, under regulation, would have the authority to determine who would be entitled under the general rubric that any Canadian citizen or permanent resident in Canada—ordinarily residing here—would be entitled in general terms. The more narrow definition of what type of crime would be covered and the circumstances under which a valid claim would be accepted would be established by regulation.

The provincial programs are more or less consistent as to the kinds of crimes that are covered. It would be a relatively simple matter to settle that for a federal program.

It is possible for all provinces to provide an upper limit on the amount covered. Generally speaking, the limits are relatively modest. It is important to appreciate the real role of the criminal injuries compensation program. It is in part to cover specific losses, although anyone who is travelling abroad with valuables presumably ought to be responsible for their own insurance.

There are items which cannot be easily covered by insurance, most particularly the trauma suffered by a crime overseas or anywhere. This is what criminal injuries compensation plans are primarily aimed at. In the case of the Hilliers, they are already suffering and continue to suffer from the trauma they received in that terrible tragedy of May 1988. Because they are of modest means they cannot really afford the continuing counselling that is necessary.

We have had another example in which recently a British Columbia resident was murdered in Mexico. The costs of bringing the body back home are beyond the family's means. That kind of cost could be covered under a criminal injuries compensation program. There will be other examples of a similar kind that could only be met, and at the provincial level are only met, by these criminal injuries compensation programs.

The underlying principle is really that of social insurance; the concept that we are a Canadian family and that we have some responsibility as Canadians for each other. The incident of crimes causing injury is relatively minor out of the millions of Canadians who visit overseas or for the millions of Canadians who are in Canada. When it happens to a particular family or to particular Canadian individuals, it can be the most dramatic, traumatic event in his or her life. Surely we as a Canadian family can organize ourselves to provide a minimum safety net, a minimum social insurance that not only can provide real assistance in dollars, but can say to those Canadians that

we as a Canadian family care about what happened to them.

My observation of the Hilliers is that this is really what is missing. They feel rejected by their own country because it has failed to respond in any way to what has happened to them. They have been turned away at every door they have come to for assistance. They agreed to make their case public because they wanted to tell a story in the hope that their pain could lead to some diminution of the pain of others who may suffer the same thing in the future.

I am really speaking for them when I ask the House not only to agree to this bill but to give it an opportunity to be discussed in detail as to the mechanics in committee. It will not cost Canada anything to take a look at this plan and to give it an opportunity to be considered in detail, to give the Hilliers and others an opportunity to come to the committee and offer their testimony and their witnesses. It would be a healing act for them and for others who have suffered without this kind of protection to be given an opportunity to do that.

• (1120)

I ask the House to endorse the bill. I appreciate very much the work that others have done to support this bill. At one point I got the great assistance of Professor John McLaren and students at the University of Victoria in providing a lot of the background material. I have a file full of material on the concept that has led to this bill.

I think it is a good bill. I appreciate the support that colleagues have already offered to me in private conversations and I look forward to their support in this debate.

Mr. Stan Wilbee (Delta): Mr. Speaker, I would like to congratulate the member for Victoria on his presentation and the thought that has gone into the development of what I believe to be a very important and significant bill. I can sympathize with the Hilliers. I have a number of patients of my own who were victims of a hit and run accident in Spain and suffered medical injuries as a result of that very tragic accident.

However, what we are dealing with today is a question of jurisdiction as to who is to be responsible for the development of the law, where it is going to originate, and who is going to be responsible ultimately for the payment of this whole remuneration for injuries received while out of the country.

This proposed Bill C-310 which deals with the compensation for Canadian victims of crime while travelling or posted abroad cannot really be enacted without prior consultation with the provinces. Health care traditionally is a responsibility of the provinces. Since none of the provinces have requested this type of a bill and no one has come forward until this time with this concept, it brings up this whole question of jurisdiction.

Because Canadian citizens are provincial and territorial residents, these governments must be consulted with regard to such an important issue. Not to engage in meaningful consultations with our provincial colleagues to seek their support would be considered unacceptable and an infringement of provincial jurisdiction. It should be noted that provincial governments have already enacted legislation which the member for Victoria discussed, making possible the granting of financial compensation to victims of criminal acts within their own provinces.

Provincial laws cannot be applied outside their boundaries. A province that wishes to provide compensation to its citizens who have been victims of criminal acts abroad would have to request that the federal government enact legislation along the lines of Bill C-310 to give extraterritorial effect to their laws. This is why it is so essential that the legislation be considered and brought forward together with the provinces rather than in the present nature of a private member's bill.

The intention behind this bill, as I think we all agree, is commendable. The story of the Hilliers certainly develops a sympathy and an understanding, but the request should be coming from the provinces rather than the federal government. It is my understanding that competent federal authorities have not been approached by their provincial counterparts. Furthermore, adoption of Bill C-310 without provincial consent would be inappropriate at this time.

Hon. members will be aware that the federal government through the Departments of External Affairs and International Trade provides assistance to Canadian citizens travelling and living abroad. This is being done by Canadian representatives at more than 120 different missions around the globe. The presenter of the bill

mentioned the care and the understanding given by our consulates abroad to Canadian citizens in trouble.

There is a wide range of consular services being provided to the Canadian public. These services vary from a simple request for information about travel abroad to assistance in major crisis situations such as the recent Persian Gulf war and the Middle East crisis. However, consular services entail general assistance to Canadians in need, intervention with local authorities where appropriate, help in obtaining legal counsel when required, and checking on the welfare of Canadian citizens in prison. When a Canadian citizen experiences difficulty abroad when his or her health is affected, consular representatives will do the maximum possible to ensure that proper medical attention and care is provided locally. Families or friends are informed through the Department of External Affairs in Ottawa.

This settlement of medical and hospital bills is the responsibility of the individual and claimable through provincial health plans. As part of the federal government's consular awareness programs we strongly urge all Canadian travellers to obtain appropriate personal and health insurance to cover costs which go beyond provincial plans. As a matter of fact we are aware that most Canadian travellers do take this added precaution when travelling abroad.

It is therefore evident that the Canadian government does not stand idly when it comes to the protection of its own citizens abroad. We can clearly state that compared to other countries Canada is quite generous in this regard.

The issue which Bill C-310 addresses deals largely with the provision of assistance and protection to Canadian travellers abroad. The issue addressed by Bill C-310 in my view is one which does not fall primarily within federal jurisdiction. Therefore I would have to suggest that this bill should not proceed until there has been more extensive consultation.

I think the general idea behind the bill is excellent. I feel we should provide support to Canadians who have been injured, to the victims of crime abroad, but I do feel that more work needs to be done and in consultation with the provinces to come up with a proposal. I have very mixed feelings about turning this bill down because I feel that there is merit to it.

It is the question that this is more appropriately done through other channels. I would encourage the government to continue to work with the provinces to bring forth a program that will cover the victims of crime such as have been mentioned and we are all familiar with.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I too am pleased to rise in the House this morning to make some comments with respect to the legislation before us, an act respecting compensation for Canadian victims of crime travelling or posted abroad.

The explanatory note in the legislation states:

> The purpose of this bill is to extend to Canadians and to permanent residents of Canada travelling or posted abroad the same rights to compensation as victims of crime that they would enjoy had they remained in Canada.

Let me compliment my colleague from Victoria who had the foresight and the industriousness to put together a private member's bill that reflects the feelings of the people he represents in the community of Victoria. With that in mind, it is obvious that the purpose of this legislation is to compensate on a parallel system those rights of victims that we experience in Canada.

I think it is best before we talk about compensation for victims outside Canada that we consider the procedures we have presently in place to compensate victims within the provinces of Canada.

My friend, the member for Delta, who just spoke previous to me, was quite right when he stated that compensation to victims is within the realm of provincial jurisdiction. First we should perhaps look at the procedure that happens in the province of Ontario with which I am most familiar. I am sure other provinces have similar procedures. An independent board is struck by the government of the province called the Criminal Compensation Board. Its purpose is to travel throughout the province to assess those victims who have been injured and have experienced pain and suffering as a result of crimes committed against either their person or against their property.

• (1130)

The panel meets in all jurisdictions provincially. After hearing all of the evidence and proof as to the pain and suffering experienced by the victim it then adjudicates on the evidence heard and awards some form of compensation to that victim. It may also choose not to award any compensation.

Unfortunately, our justice system can only compensate by way of dollars. We can never re-assess or go back in time and say that pain and suffering should be compensated in some other way. The only barometer and area of compensation we have is by way of monetary retribution.

As a result of the hearings that are held throughout the province of Ontario and other provinces in the country, the compensation is awarded as to the degree of pain and suffering of the victim.

I compliment the member for Victoria who has brought forward this bill to assist those people travelling outside of Canada. I must say at the outset should this bill be transferred to committee at the end of the day, that it would be our recommendation that the primary purpose of the criminal compensation board, although it is doing the best it can with the funds available, still does not meet the needs of the victims in our country.

The compensation awards are rather small when compared to awards given in civil litigation matters. The awards in no way compensate victims for the pain and suffering experienced in Canada as a result of abuse received from fellow citizens. This is a shortcoming within our system where the rights of the victim usually seem to take second place.

In my previous career as an assistant crown attorney in Thunder Bay, I was involved in the volumes of work that go into the actual mode of what really happens at a trial. The amount of work the crown attorney has to do in preparation often limits the amount of time that the assistant crown attorney has to spend with the actual victim of the crime.

The primary function is to assemble the facts, bring them to the proper jurisdiction, bring them to the court and get the facts into evidence as succinctly and as quickly as possible in order for the decision-maker to adjudicate on the facts that are presented. This often leaves the victim with the feeling that his day in court has not been properly exercised. It often leaves the victim with the feeling that the pain and suffering and the rights in the criminal procedure system have not properly addressed the victim's main concern.

I am not criticizing the system. The crown attorneys in this country do an exceptionally good job with respect to the time they have to prepare cases. Unfortunately, it leaves very little time to spend with actual victims of the crime.

In principle, we support what our colleague is attempting to do through this legislation. If it does get to the stage of committee hearings, I would also like to recommend a very advantageous program in Canada in particular, in Ontario.

I have had several occasions to participate in the program called the Victim-Offender Restitution Program. It is a procedure that began some years ago when the victims of crime did not feel that they were adequately compensated either by the degree of sentencing of the offender or that the compensation awarded was not adequate. Procedurally, the Victim-Offender Restitution Program would be undertaken by some voluntary organization within the communities in this country. The main purpose was to bring the victim of the crime into a controlled meeting setting with the offender of the crime in order to arrive at some satisfactory mutual agreement between the two parties. Joint submissions would then be made to the adjudicator of the court.

This has been working in some instances and it has been followed through in some of the areas in Canada, particularly in the areas of Thunder Bay and Windsor where it has worked very well.

It brings the victim of the crime, who has suffered the pain, suffering and the damage in a controlled setting with the offender. In this area they have been able to form some degree of a restitution process that seems to satisfy the victim more so than the sometimes cold, very impersonal court judicial process that they would normally go through.

I would like to reiterate one of the cases that I was involved in. I would suggest to the member if this does go to committee that perhaps we should give great thought to this Victim-Offender Restitution Program.

In this particular instance it was a matter that involved the loss of hundreds of thousands of dollars and injured and caused harm to many people through a series of transactions. After many hours of consultation and developing a formula for how to assess these damages, it was agreed between the victims—at that time there were well over 100 victims—and the offender, the person who had been properly tried and found guilty, and the leaders of the program that the compensation these victims

would receive would be in the way of the fine that was levied on the guilty party.

I go from memory but it seems to me that the fine in that area was somewhere around $100,000 or $150,000 of which $10,000 was a penalty paid. We established a system where $140,000 was distributed between all of the victims that suffered from that penalty and the crime.

What I am saying is that it worked in that particular proposal. The victims were very happy with the compensation.

I would like to recommend to my friend from Victoria that should this very fine legislation that he has presented today to compensate victims in his riding of Victoria go to committee, I would like to attend the committee hearings. I would like to bring and to augment his thoughts with the Victim–Offender Restitution Program.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I appreciate the opportunity to make a brief contribution to this private members' hour and specifically in regard to Bill C–310 which has been proposed by our colleague from Victoria and which deals with the victims of criminal aggression abroad.

The objective of Bill C–310 is one which I am sure members on all sides of the House support, the intent being to reduce the burden which has to be borne by Canadians who find themselves victims of criminal abuse or aggression outside the borders of the country. It is certainly not an unreasonable thought but, at the same time, it does obviously deal with areas of provincial jurisdiction.

The Canadian provinces have enacted legislation which makes possible a granting of financial compensation to the victims of criminal acts within the provinces. The provincial laws of course cannot have any extraterritorial application.

Under this Bill C–310 as proposed, the province that wishes to provide compensation to its citizens who have been the victims of criminal acts abroad could ask the federal government to enact legislation that would give extraterritorial effect to provincial criminal compensation legislation.

• (1140)

Bill C–310 is plausible in a judicial way but obviously, it does lack some practicality constitutionally. The adoption of such legislation by the federal government should be undertaken only after extensive consultations with all of the provinces to determine if there is, in fact, provincial support for the proposed legislation.

Adoption of Bill C–310 without provincial consent could be very difficult and indeed very delicate in the context of the current constitutional debate. Some provinces may not accept the adoption by the federal government of legislation which affects areas of provincial jurisdiction.

It is not unreasonable to point out some specific areas of concern which have to be noted in regard to this bill.

First, the bill would provide for extraterritorial application of Canadian legal powers. This is an area of sensitivity for all governments because it is seen as a potential infringement on a country's sovereignty. We would have to take extreme care to ensure that all efforts have been made to avoid any possible friction between Canada and other foreign governments.

Again, it should be stressed that a government cannot extend its legal authority outside its boundaries unless prior agreement is sought from the other state or states involved. It should be noted in this regard that Canada has regularly and vigorously opposed the extraterritorial application of foreign laws on Canadian soil and I am sure would view any such attempts with great concern.

Bill C–310 as drafted would require major legal revisions after consultation with the provinces. For example, the bill as drafted generates some confusion with regard to a certain category of people, that is those Canadian citizens who live abroad but are not residents of any province. There are citizens of this country, Canadians on assignment for long periods of time outside Canada, who are employed neither in the private nor public sectors.

Furthermore, clause 3(a) of this proposed bill would have to be reviewed to introduce more specificity in relation to the Criminal Code. Moreover, the use of the double criminality concept would have to be built in. For example, a criminal act under the Canadian Criminal

Code is not necessarily a criminal act in a foreign jurisdiction and vice versa.

The proposed bill is one which falls under the general context of providing assistance to Canadian citizens who unfortunately experience difficulty abroad. The intent, as has been mentioned by others in this House and by myself earlier, is a good one but I believe that the bill should not proceed until there is a demonstrated need for such legislation and all appropriate consultations with the provinces have taken place.

I have not had the opportunity to study this bill in detail and the background to it, but I am not entirely sure that all of the provinces of Canada at this point in time have their own legislation in place. I know that a number of them do. I am not sure whether all of the provinces have legislation which would compensate for the victims of crime taking place within the territorial boundaries of the particular province.

Indeed, I am sure that there is a lack of consistency between the provinces within Canada. Various jurisdictions have legislation but again I am guessing because I have not had the opportunity to look at this in detail, that there is inconsistency from province to province in terms of the criteria, compensation, and so on.

Therefore, I think it is a bit premature to be thinking in terms of the federal government trying to come forward unless and until there is unanimity within the provinces of Canada, that each of the provinces has legislation and indeed that there is consistency from province to province across the nation.

Clearly, that is not the case at the present time. Until it is, it seems to me that it would be difficult and I would suggest from a constitutional point of view, rather imprudent for the federal government to attempt to involve itself with Bill C–310 at this point in time.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I think we probably have a very good understanding of where we are right now and what this bill means and what changes this bill brings forward.

We are not passing the bill today. We are moving it through second reading so that we can study it in committee. That is it. What is wrong with the principle of this bill? Both Conservative members of this House who spoke had almost similar reasoning for not passing this legislation or not sending it to committee at this time.

Why would we object to the principle of indemnifying or compensating Canadians who are victims of crime when they are working or travelling in other countries? Why? That is what we are dealing with right here. Is the principle so offensive to your voters and your ridings?

Each and every one of you know of people who have had these problems. They have been injured, maimed, raped, attacked and have brought their problems to you and asked for compensation. It is not new. We have seen this as members of Parliament. I am sure in the past you have had to say to these people as my colleague from Victoria who proposed Bill C–310 said: "I would like to help you, but there is a gap". There is a gap between what a province would do if the injury was because of a criminal act in the province and what the federal government would do if the injury was because of a criminal act in another country. That is the gap.

What we have to concern ourselves with is the principle of this bill. Can we go back to our voters, the people who elected us and who wish us to initiate action to respond to their needs? Can we really tell them that on a question of principle, I voted against this compensation bill.

The bill is not raising taxes. It is not creating a heavy mechanism that is going to cost a great deal of money, not at all. One of the nice things about it is that it is piggy–backing on provincial programs which have been in effect for years. Also I understand that the territories have similar legislation.

We are dealing here with principle. It is most important that when we talk about principle that we look at some of the comments that were made on the Conservative side about what is good about Bill C–310.

Let us look at what the government side said is good about this bill. Those members say it is judicially plausible. That means we do not have any problem as far as the courts are concerned. Legally we can do it. Great. On all sides, members agree with the intent of this bill. Mem-

bers agree also with the principle—we come back to the key word again—of the bill. Everyone agrees with it.

Everyone agrees, and I agree as well, that there must be consultation with the provinces. I am one who believes in consultation with the provinces. My gosh, I am a refugee from the Dobbie–Beaudoin committee. Having gone through that war, I can tell you the one thing our committee had pretty well burned into our collective skull was that we have to consult with the provinces in order to invoke any kind of constitutional change.

• (1150)

We are not talking about rewriting the Constitution here, we are simply talking about compensating Canadians who fall through the cracks, where there is no federal jurisdiction, Canadians who are travelling or working in other countries and who happen to be injured or killed as a result of a criminal act.

Government members say that these Canadians, rather than having this bill passed to help them and compensate them, could normally get help from the Canadian embassies abroad. This is not always the case. In the case my colleague from Victoria mentioned, the woman had been brutally raped and her family had their money and valuables stolen in Jamaica and they received no help whatsoever from the Canadian High Commissioner.

This bill will require, will mandate, will demand that these people get help. Do not tell me that private insurance will help these people who fall through the cracks. Private insurance will not cover many of these costs. Private insurance will not give the help when it is needed. If we are talking about private insurance to protect Canadians when these types of problems occur, why did that argument not work at the provincial and territorial level? Why did the provinces and territories not say: "We are not going to pass any victims' indemnity programs or laws. Go to the private insurance network. You are in better hands with All State." Give me a break. Why do we not just turn the entire social contract that Canadians have with our government to provide certain help for us all over to the insurance companies?

An hon. member: Hear, hear.

Mr. Edmonston: A government member says hear, hear. This is incredible. We are here because our voters want action. That is another thing I learned from the Beaudoin–Dobbie constitution committee. People are tired of us pussy-footing around, playing off one jurisdiction against another, washing our hands of the thing and saying,

[*Translation*]

it's not our problem, it's not our responsibility. The hon. member opposite just said "really", but he doesn't want us to spend money. The public is sick and tired of seeing us spend money.

But this bill isn't about spending money, because we already have provincial and territorial programs for compensating victims of criminal acts. We are not proposing a new bureaucracy, because the bureaucracy already exists. Victims can simply file an application with the provincial agency, which will then make arrangements with the federal government. That's all.

[*English*]

In conclusion, I wish to repeat that I support my colleague from Victoria and his private member's bill, C–310. It does something important which is not done at the provincial and territorial level regarding people who are victims of criminal acts while travelling in foreign countries or working there. I will be darned if I will accept the argument from the Conservative side of the House that we have to consult the provinces on the principle, that we have to go to insurance companies on a principle or that we have to pussy foot around on a principle.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to continue on the same theme as the member for Chambly. I did not intend to participate in this debate. I listened to the member for Chambly carefully and I tend to share his view.

We are talking about moving a piece of legislation into committee for further refinement on the basic mechanisms that are involved. I just do not understand how the government can object.

It seems to me if there was one thing I discovered when I was going through the Dobbie–Beaudoin committee report last week—of course, I do not agree with most of it—it was that one of the few things that the national government is left with after this report is the fact that we are the leaders in this nation on international affairs.

This bill, put in practical terms, is something that the government is missing the boat on. I want to give a very specific example that happened in my riding just two years ago.

A young woman was working in the southern United States. She was pregnant and was a victim of crime. This led to a premature birth. The hospital would not release her unless the bill was paid. The bill was somewhere in the neighbourhood of $50,000 to $60,000. This is a very specific example.

It is a mystery to me why the government is turning its back on putting a bill like this forward for further study. I want to support the proposer of this bill and the member for Chambly. I think they are on the right track. The government is plainly not looking at this clearly. I would defer now to the proposal.

The Acting Speaker (Mr. Paproski): A point of order, the hon. member for Victoria.

Mr. Brewin: Mr. Speaker, while I appreciate the airing that the House has given to this bill and the fact that it has had an opportunity to be discussed in this House, I would also like to give the House an opportunity to give unanimous consent to the motion to approve it on second reading and refer it to the legislative committee.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: No.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired, there being no further members wishing to speak. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

FEDERAL–PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST–SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

Hon. Gerald S. Merrithew (for the Minister of Finance) moved that Bill C–60, an act to amend the Federal–Provincial Fiscal Arrangements and Federal Post–Secondary Education and Health Contributions Act, be read the second time and referred to Legislative Committee F.

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I welcome the opportunity to speak to this important piece of legislation which, as usual, has been somewhat misrepresented by members of the opposition, I am sorry to say.

• (1200)

Mr. Speaker, perhaps I may recall that the purpose of this bill is to provide for federal–provincial fiscal arrangements. These fiscal arrangements are important because they ensure that where certain specific services are concerned, all Canadians across the country have access to those services. And when we are talking about federal transfers to the provinces, we must remember there are three different programs under which money is transferred from the federal government to the provinces: first of all, the so–called transfer payments; second, equalization payments; and third, another program that also applies to certain provinces, but not to all.

Federal transfer payments to the provinces are important because they ensure a minimum standard of goods and services and quality of life for all Canadians, wherever they happen to be in this country. Since 1984 when this government was elected, transfer payments to the provinces have increased every year. Unfortunately, opposition members will say they did not, but that is false, and it is false, Mr. Speaker, because when we look at the figures for each year, the amounts transferred to the provinces have indeed increased.

Although these amounts have gone up substantially, more is of course always better. But I think that what we need, both at the federal level and the provincial level, is a balanced budget. We know that the federal government's debt is a big problem and therefore the federal government must meet its financial responsibilities and the provinces must play a part in reducing the national debt and in the collective effort we must all make to solve our national debt problem.

In that regard, I think that Bill C–60 is in keeping with the priorities that I mentioned. This bill deals, among other things, with post–secondary education and health care, two important issues in Canada. Given the importance of education in our country and given that unfortunately too many of our young people do not complete

high school and then do not obtain what they consider a decent job or one they would like to have, it is important to emphasize that point and ensure that young people throughout Canada, as well as people who need health care, have these services at the same cost throughout Canada.

I think that Bill C–60 respects these important basic criteria which give a preferred status to education and health throughout Canada, be it in Newfoundland, British Columbia or Quebec.

Mr. Speaker, allow me to point out that the minister responsible for this bill, the Hon. John McDermid, is in the House. I would be prepared to give him some of my time so that he too can express his point of view on this important bill. I know that he is prepared to talk about it.

So, Mr. Speaker, I will conclude with that and leave some time for my colleague, the minister.

[*English*]

The Acting Speaker (Mr. Paproski): Is it my understanding that you are splitting your 40 minutes?

Mr. McDermid: Mr. Speaker, I believe we need the permission of the House to do that. If I could just make a few concluding comments. The parliamentary secretary presented the case very well. There are just a couple of points that I would like to make, but it does need unanimous consent of the House and I would ask for that.

The Acting Speaker (Mr. Paproski): I was just going to do that, thank you very much.

Is there unanimous consent to allow the Minister of State for Finance a few minutes to complete the statement?

Some hon. members: Agreed.

Mr. Gauthier: Mr. Speaker, we have no objection on this side, but we would like to have some notice of that from now on so that we can get some previous notice from the ministers as to who is going to be splitting what time.

The Acting Speaker (Mr. Paproski): That is fine. I am sure that is agreeable. The hon. Minister of State for Finance can complete his statement.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I want to thank my colleagues in the House for that kindness.

As the parliamentary secretary so ably pointed out this morning, this bill, Bill C–60, amends the Federal–Provincial Fiscal Arrangements Act, the Federal Post–Secondary Education and Health Contributions Act, and makes a number of minor changes within the acts that I have just mentioned to try and improve the simplicity of the tax system.

We are, of course, talking about some additional moneys that have been given to provinces in the equalization program, which is the cornerstone of Canadian fiscal federalism. This renewal is a result of about 20 months of consultation with the provinces. The provinces were extremely pleased with the results of the consultation as was expressed at the finance ministers' meeting that was held in Quebec City not too long ago. This bill will also allow the federal and provincial governments to mutually administer and enforce each other's taxes. That will allow us to simplify the tax system somewhat. If we have heard anything from business, from the consumer and so on, it is to please simplify the tax system. So this will simplify the payment of taxes for the taxpayers and for governments.

I think it is very important at this particular time where provincial governments are working in co–operation with the federal government in some instances, and I think others will follow suit, in collecting provincial sales taxes at the border.

These are not new taxes. I want to make that very clear. The provinces are owed these taxes as people purchase products on the other side of the border and bring them back into Canada. Over and above the exemption they must pay their federal sales tax, they must pay their provincial sales tax.

To date, the federal government has not been collecting the provincial sales taxes. We have now started with the province of Quebec because it has harmonized its system or will be harmonizing its system with the goods and services tax. Other provinces are very close to making a decision. Other provinces are looking into it in some detail now as to harmonizing their tax system with the federal goods and services tax system, especially in the goods area.

This will allow us to make agreements with the provinces to in fact collect those taxes. I think that is a very, very important part of the bill.

The bill provides for a generous renewal of the equalization program while maintaining our fiscal responsibility, and in addition by facilitating the mutual administration of taxes between federal and provincial governments. We are just improving our country's tax system as a whole. I think that is very important.

I just want to re-emphasize if I might one of the points that was raised by the parliamentary secretary. We keep hearing about cuts to provinces and that we have cut back on moneys for transfers to provinces and so on. This morning I went through in some detail the transfers to provinces over the period since 1984-85, since the Progressive Conservatives formed the government in Canada. As I go through province by province, the types of increases to the provinces that have gone on over that period of time, I think it is very important that the public understand exactly what those increases are. I am going to take just a moment to go province by province to point out the importance of fiscal transfers to the provinces and how they have grown and continue to grow over this period of fiscal restraint we are in.

• (1210)

For example, major transfers to Newfoundland have grown at an average annual rate of 5.5 per cent since 1984-85 and this year are likely to exceed $1.4 billion, accounting for about 44 per cent of Newfoundland's revenue.

Major transfers to Prince Edward Island, an annual rate of 5.3 per cent increase per year, likely to exceed $300 million this year. That is over 40 per cent of P.E.I.'s revenues.

Major transfers to Nova Scotia have grown at an annual average rate of 5.6 per cent since 1984-85, likely to exceed $1.8 billion this year. This accounts for 43 per cent of Nova Scotia's revenues.

Major transfers to New Brunswick have grown at an average annual rate of 5.7 per cent since 1984-85, expected to total almost $1.6 billion this year, accounts for about 39 per cent of New Brunswick's revenues.

Transfers to Quebec have grown at an average annual rate of 3.8 per cent since 1984-85, likely to total about $11 billion this year, accounts for about 31 per cent of Quebec's revenues.

To Ontario, the major transfers have grown at an average annual rate of 6.2 per cent since 1984-85, expected to exceed $9.9 billion this year and accounts for just over 20 per cent of Ontario's revenues.

Manitoba, we have seen an annual growth rate of 6.6 per cent since 1984-85, expected to exceed $1.9 billion this year. That accounts for close to 40 per cent of Manitoba's revenues.

To Saskatchewan, it has grown at an average annual rate of 8.3 per cent since 1984-85, the highest of any province, expected this year to exceed $1.3 billion and accounts for about 27 per cent of Saskatchewan's revenues.

For Alberta—and I know that you are interested in this, Mr. Speaker—the transfers have grown at an average annual rate of 5.2 per cent since 1984-85, expected to exceed $2.5 billion this year and accounts for about 20 per cent of the revenues for Alberta.

For British Columbia they have grown at an average rate of 4.8 per cent. They expect to total almost $3.3 billion this year. This accounts for more than 20 per cent of British Columbia's revenues.

For the Northwest Territories it has grown at 7.6 per cent, likely to exceed $880 million and, of course, accounts for about 80 per cent of the Territories' revenues.

For Yukon it has grown at 8.6 per cent since 1984-85, likely to exceed $250 million this year and accounts for about two thirds of Yukon's revenues.

Statistics can be extremely boring and no doubt these have proved to be boring. The point I want to make is this. Time after time we hear members of the opposition and provincial premiers moaning and groaning that they are not getting the share of revenue from the federal government that they should get, or that we are destroying medicare—and this is what the opposition says—or we are destroying post-secondary education. Yet we must look at the transfers to the provinces that have gone on year over year over the last period of time and continue to go on. Of course, this year there has been a reassessment. There will be an increase of some $400 million in one year that is going to the provinces, $200 million in retroactive and $200 million per year from there on extra, over and above, under the negotiations that have gone on. It is very plain to see that although the increases have slowed down—and I am not arguing that at all, the increases that the provinces might have

expected or wanted, and of course they will take any largesse from the federal government that we can provide them—

An hon. member: No.

Mr. McDermid: Certainly they will. They relatively appreciate it but they will take it, that is for sure. I am talking about the extra equalization program that we came in with, that we negotiated with them and that they are very happy about, especially the province of Quebec.

The Minister of Finance from Quebec, the Hon. Gerard Levesque, was extremely pleased with the new negotiations and the decision that came down recently. My hon. friend from Montreal should not look quite so surprised because I was sitting beside Mr. Levesque when he sang the praises of the Minister of Finance for the Government of Canada at that particular time.

In any event, these measures are very important. They are important for the provinces. It is a two-year extension of the agreement. We will be continuing in the next two years negotiating the equalization program which I think will be very, very important.

I understand that there have been consultations and there is unanimous consent to refer this bill to the Standing Committee on Finance. Therefore, I move:

That pursuant to Standing Order 73(3), Bill C-60, an act to amend the Federal-Provincial Fiscal Arrangements Act and the Federal Post-Secondary Education and Health Contributions Act, be referred to the Standing Committee on Finance.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): Will those members who object to the motion, please rise in their places.

Mrs. Marleau: On a point of order. You did not recognize me on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member on a point of order, but this is the standard procedure when we have a minister rising in his place to refer the bill to a different committee. I will recognize the hon. member on a point of order.

Mrs. Marleau: Mr. Speaker, the hon. minister mentioned something about consultation. I am the critic in the House on this bill. No one has spoken to me about referring and changing the venue of the discussion for this bill. Perhaps if we did have some discussions I might be agreeable, but at this point I have not been consulted and I am not aware of anyone in my party having been consulted.

Mr. McDermid: Mr. Speaker, on the same point of order, it is my understanding that the agreement was between the House leaders. That was the information that was provided to me. I did not consult with my colleagues in the opposition as I was informed that consultations had in fact taken place. If they have not taken place, I will make sure they do take place, but I still would like to put that motion before the floor.

Mrs. Marleau: Mr. Speaker, perhaps the hon. minister would allow me a few minutes to consult with the members of my party before proceeding with his motion. I would beg his indulgence, please.

The Acting Speaker (Mr. Paproski): Is there agreement?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): All right, there is agreement.

• (1220)

I will wait and see what instructions the Chair receives within the next few minutes. I will carry on with the debate.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I rise today to debate Bill C-60, an act to amend the Federal-Provincial Arrangements and Federal Post-Secondary Education and Health Contributions Act.

I sat here and listened with a great deal of patience to the glorious renderings of the illustrious minister on the government side who was very busy telling us and Canadians how well they have behaved toward the provinces in terms of transfers and the huge increases that have come forward.

I sometimes wonder what kind of land they live in because wherever I go I hear of cutbacks. I hear from students how tuition fees have increased. I hear of massive closures in the health sector. I am not at all convinced that Canadians are prepared to acknowledge that the statements made by the minister are as optimistic as perhaps he would like us to believe.

Perhaps one of the biggest problems is always that it is so very easy to massage figures and to make them appear to be much better than they actually are. At this point, I have not had a great deal of opportunity to spend much time studying it. I know as a member of the finance committee I will get that opportunity. Perhaps then my remarks will be more definite as to what is good and what is bad with this bill.

When it comes to simply extending the equalization and transfer payments for another two years, I obviously have no opposition to that. I think that the whole basis for equalization and transfer payments has helped make us Canadian.

Any Canadian who lived through the Great Depression can still picture the breadlines and the transients riding the rails across the country. I have been told many stories by my parents and my grandparents of the years of the Depression and the horrors to which Canadians were subjected.

Most of our parents and others who lived through this Great Depression thought that they would never see these sights again. They thought that never again would they see the breadlines or the homeless. I believe that this is really what was at the source of the beginnings of our great social safety network. I believe that that is where the idea of equalization came from, the idea of helping those provinces with less to achieve and maintain a certain minimum of standard.

That is where all of these government initiatives really began. By and large, they were very successful in making sure, at least up until the last few years, that never again would we see these breadlines and these homeless people.

Here we are in the 1990s faced with exactly what we thought we would never see again. In the early 1980s when we went through that terrible recession, it was thought that it was a temporary measure to help these people during a particularly bad time. Here we are. We have gone through a number of very prosperous years. Not only have we not seen the decline of these homeless, these breadlines or these soup kitchens, but we have seen a proliferation of them. The only reason is that this social network that we created as a caring country has broken down. Therefore, the moneys that are needed are really not there.

We have forgotten what we as a government, as a governing party, as elected representatives were elected to do, and that is to look after the people of our country.

We have seen a reduction in government expenditures and non-action on others, all in the light of fighting the deficit. The government is saying it needs additional revenues to fight the deficit, so it has slashed all of these programs.

Has the deficit decreased? No. This government has presided over the doubling of the debt with its bottom line mentality of forgetting about people. Its economic policies have been absolutely disastrous. Rather than basing its policies on full unemployment, equality and decency for all it has had this bottom line mentality, this idea that fighting the deficit at all costs would save us. It has not saved us at all. We are faced with a very terrible future, far worse than any of us had ever thought we would see again.

We talk about fiscal arrangements. Regional disparities have been a problem in our country throughout our history. Without substantial financial contributions from the federal government, they would be much, much worse.

It would be much more difficult for some of the poorer provinces to provide accessible and affordable health care and higher education to their residents.

The funding framework is embodied in the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act of 1977. Originally federal support for health and higher education was to keep pace each year with over-all growth in the economy. Since 1986, support has been cut back as a result of a series of unilateral decisions by the federal government aimed at reducing the deficit. As a result, the cash portion of basic federal support has declined.

To go back to the dismantling of the system, you go back to the budget of 1986. Bill C-96 it was called. They always have a new number. It depends on when they are introduced, in what cycle. This is from the budget of

1986. The established programs financing escalator used to be tied to the Gross National Product, GNP, but in 1986 it was reduced to the Gross National Product less 2 per cent. You could say that it would still allow it to grow, but not at the full level of growth of the Gross National Product.

There was a new budget introduced in 1987 with a new bill, Bill C-44. This again renewed the fiscal arrangements of the established programs financing until March 31, 1992, again keeping these lower than growth types of increases. In 1989, under Bill C-33, beginning in 1991 the rate of growth of the established programs financing transfers would be cut by one percentage point. Now we are down to the Gross National Product less 3 per cent, again a decrease in the increase.

At that time the government expected to save hundreds of millions of dollars. In the budget of 1990, we saw Bill C-69. I am a lot more familiar with some of these because I was actively involved in the debate on these bills. The transfer payments to the provinces on post-secondary education and health care were frozen again at the Gross National Product less 3 percentage points. And it carried on. Bill C-69 did not deal with CAP. We have had an extension of CAP already this year. Under the Canada Assistance Plan bill which allocates moneys for welfare, Alberta, Ontario and British Columbia were limited to the amounts of increases. Despite the fact that they have huge rates of welfare, that the unemployment rates and their rates have increased far and above what many others have, it would still not be allowed to raise the money that would be transferred to deal with these programs. Always we see a constant cutback. Year after year after year we see it happening.

• (1230)

The impact of these cuts and these freezes results in total losses to the provinces in the billions of dollars range. We see that reflected very much in what is happening with our health care system. Although it is true that our health care system is costly, it is still the best value for our money. If we compare what we get for our dollar here in Canada and what the U.S. gets for the amount of money that it spends, then we are far and above better served by every dollar that we invest in our health care.

There is no doubt in my mind that changes need to be made to some of the programs. Perhaps we need to emphasize other areas of health care more than some of the ones that we do.

Cutting back on the transfers in these areas has not contributed to better management of our health care system. They have only contributed to the cutbacks and to the fear that we feel now across the nation as the middle income group, which is the largest group of Canadians, are frightened and afraid of what is going to happen to them in the future. Will there be a health care system for them, will they be able to get the drugs that they need at the prices they can afford to pay when they need them, when they get to be a certain age. There is this feeling that perhaps the federal government is letting go of its responsibilities in this matter.

Obviously when we saw that Quebec was prepared to introduce user fees, as we allow the federal government to transfer fewer and fewer dollars to the provinces in these areas, then we also transfer the authority that we as a national government have. It would mean that in some areas of the country we would perhaps have better health care than in others.

I was always under the impression that the idea behind many of our programs was that we would have equal types of programs, equal care for people across the country, not where one richer province perhaps had more money to invest in one area versus another. I think that is totally unfair. We must be very careful to preserve one of the best universal medical health care systems in the world.

In the 1984 election, Brian Mulroney on August 18, 1984 said that "universal social programs are a sacred trust, not to be tampered with". I believe when he spoke of universal social programs he especially meant medicare, which is a social program, which is universal. However, many people now would have us believe that if one has money one should be able to pay for one's health care.

At first glance perhaps it might sound like the answer. It would be the beginning of the end of what we have now. I do not believe that health care should be based on a person's wallet, it should be based on the state of that person's health. Therefore, if a person is very poor, but very ill and dying, then he or she should get priority

treatment. It should not matter whether he or she has money or not.

When we start going to a pay system of medicare, it means that the more money one has, the better treatment one gets. I do not believe that anyone in Canada, except for a very few people, have the kind of money that may be necessary in the case of a major health crisis.

I always think back to the years when I was a child. I was being raised, myself and my two brothers, by my mother. I remember how she did not use the health care system that we had because it was such a horrendous thing to be sick, the cost was something that she just could not afford. Perhaps she should have had medical care sooner, but this fear of the cost kept her from it. In the end she was admitted at emergency and it was a very harsh time in our lives, as children, and in her life as the sole supporting parent. I would like to believe that at no time should anyone be in a position like that again.

Our system has prevented this from happening. The transfer payments in terms of health care are especially important, because as we cut back on the amount of money we give to the provinces, we are losing control over this health care system, which is the best in the world and which most of us have benefited from.

If you wish to get some money back from the more wealthy Canadians, by all means do it. But do it through taxation, do not do it by tampering with this health care system. Obviously we do need to revamp some of the things that are done in the health care system. We need more rationalizing of some of the services we offer. We have to think of people first.

I am going to give you an example of something that has happened in Ontario in the health care sector which has come to my attention and which is a better utilization of some of the facilities. As you know, our Sudbury Memorial Hospital was one of the first hospitals to pioneer the heart by-pass surgery in the replacement and rebuilding of arteries.

For many years there was a problem because the lists of patients waiting for surgery became longer and longer. We heard of people out west who were waiting to have this surgery who died and others who were admitted right away in certain areas where the list was not as long.

A decision was made to put together a task force, maybe four or five years ago—and you can correct me on the number of years—that was adopted and that was to have a registry. Now anywhere in Ontario where there are facilities to do this coronary reconstructive surgery, the by-pass surgery, when you are in an emergency situation you need not wait. There is one central person that you call to and they will tell you which hospital has facilities available immediately or within the next few days. As a result, the backlog of emergency by-pass surgery has gone down to nothing. Now when a person needs the surgery the facilities are found and utilized. It has made for much better utilization of the operating rooms that are equipped to deal with these emergencies.

I would suggest that we should encourage this kind of a central registry for all kinds of surgery. For instance, at this time, at least in Ontario and perhaps in many other areas of this country, there is a problem with hip replacements. As you know, people who need hip replacements are in a great deal of pain and it may take, at times, six months, a year, a year and a half before they are called to have this hip replacement. I would strongly recommend that this kind of registry be set up so that again all of the facilities could be better utilized for these people who, although they may not be in danger of dying from this pain, are suffering a great deal. Perhaps we could shorten that time they have to wait and make their lives that much easier.

These are innovative ways of using what we have. We have to think in terms of people first. If we think only in terms of money saved, all we look at then is the bottom line. Perhaps one hospital will not do any hip replacements for six months. By the way it is a very costly procedure.

• (1240)

That is perhaps one of the reasons why more hospitals are not doing them. If one hospital is not being utilized to its fullest potential in that area and in another region of the country people are waiting months and months to receive this surgery, I do not believe that either the Canadian public or the system is being well served because the cost in terms of medication, pain control and health are dramatic. A person who is healed and well is far better able to serve the country and the community. It also costs a lot less in the short run if you heal them right away.

I am very, very adamant about reducing cutbacks generally and about more specific types of control as to where our moneys go. I would like to believe that Bill C-60 is not an outright cutback in program funding, but my experience with this government has taught me that everything is painted up. One of my colleagues once said "tarted up", made to look very glossy and great, but as soon as you look underneath, there is something hidden. There is something that we, as unsuspecting Canadians, do not know and there is some hidden motive and that is a motive of cutback, a motive of letting go of the responsibility for health care. One of the biggest mistakes we could make is to let go of that responsibility in health care.

Established Programs Financing also relates to education and we have heard the Prime Minister and everyone go on about competition, saying we can compete. We can only compete if we have the best educated people around. We have seen some dramatic cutbacks in the education system. How can we say we can compete when at the same time we have cut back and cut back on transfer payments to education? We have literally forced our deficit on to the provinces and said to the provinces they have a choice: they can either increase their taxes or cut back on their services. What we have seen in many instances is a mix of the two.

As a result, our post-secondary students are paying more in tuition fees. They are having a harder and harder time to get this first class education. Again, the idea behind being a Canadian is making sure that all of us have equal opportunities. It is making sure that those of us who come from poorer backgrounds and those of us who come from more affluent families have this same opportunity to access that education and to access those jobs.

The other day I had a call from a constituent of mine who was extremely disturbed because of the end of the family allowance that was announced in the budget. She was extremely disturbed because this was the amount of money she set aside every month and matched for her children's education. She was upset because this was going to be cut back, but she was also upset because she could see the increase in the cost of education. She could see that when her children, who are 7 and 9, got to be of an age to go to university, it would cost far more perhaps than she would have been able to put aside.

She was upset with the fact that the family allowance would no longer be there for her to put aside for her children. She was also upset with this fear that it is not going to be an education that is open to everyone.

As best I could, I tried to allay her fears, but I feel that there are times when it is justifiable to feel this need to be reassured that our children, the next generation, will be given the tools with which they can compete in a way that will make sure they can guarantee themselves and their future children a very comfortable life. Do not forget that a lot of the moneys that would go to fight the deficit come from tax revenues which are only generated when people have good, high-paying jobs; when their income is there to pay the taxes. Everything is connected.

What we have seen lately is more of this letting go. We find ourselves in a constitutional crisis in which we look at this debate with Quebec and with the provinces and we feel this fear that there is no strong central force. There is no one willing to stand up and say: "Yes, I will guarantee that there will be a Canadian medical system beyond all of them. Not a Quebec medical system or a Manitoba medical system, or an Ontario medical system, but a system that is truly Canadian for all of us in which all of us have equal access". The same thing applies to education. We need a Canadian system which guarantees that all education will be open to all. Every one of us who is able to go to school should have the right to do so in a way that does not break us.

In this last budget, on the one hand the government took away that 3 per cent surtax on loans that it had instituted, but on the other hand it has now said that it would start charging interest from the day that a person graduates. If you go to school for any number of years and you borrow, you could find yourself on the day of graduation owing $25,000 to $30,000. What a horrendous debt to have to start off with, especially in these days when the job market expectations are not particularly good even if you are a graduate from a university or from post-secondary education. The wages are not that high. To start off your adult life with a debt of that magnitude is extremely serious.

I have spoken of this matter before in the House. There is an example in which there was a single mother who went back to school and used a student loan to finance her education. She got her education and a job and now finds herself holding down two jobs and still having a great deal of difficulty getting rid of this student loan debt. The interest has grown faster than she can pay it off. She is now facing sending her own children to university with her own debt still unpaid, and her children will now be forced to borrow in even larger amounts because tuition fees are going up.

I ask that we reconsider what we are doing with this bill. Are we going to help these people? I think it is very important that we consider who we are hurting when we do these things. We are hearing that there are going to be some tax base improvements and that there will be perhaps some increased benefits to the provinces—the minister said $200 million. It will go only to certain provinces because in this whole system it is all based on need and equalization only goes to the poorer provinces. Have we reconsidered all of the provinces? Some of the provinces that were known to be rich have suffered the most lately.

All of these things have to be reconsidered seriously, and not just in light of the upcoming federal election in which this government is intent on going around saying to everybody: "See what a great government we are because we have given you $10 million". Forget the billions it has cut back before. I have a terrible feeling that this is what this bill is going to allow the government to do.

I am happy if the government can give things, but I do not want it to just do it once. I want the government to do it and mean it and not to be dismantling something behind the scenes after telling everyone that it has now found the true path to self-righteousness and all of the rest of it. I somehow do not believe the government. I would really think that the rest of Canadians feel as I do. How can we believe this government?

The government has told us things before that really did not come out. How can we and why should we believe that this will help anyone anywhere?

One of the things that this bill proposes is a change to the base year for the ceiling provision. The attitude is that the government is going to change the base year—nothing wrong with that. Normally you change the base year and things go their merry way. Currently the base year being used is 1987–88. This piece of legislation would make the base year 1992–93. How can we make the base year 1992–93 when we are not there yet? What about 1991–92? How do we use the 1992–93 base year for 1991–92?

• (1250)

Mr. McDermid: I will explain it to you.

Mrs. Marleau: I would really like to have you explain it to me. To me it is shenanigans. It is pure and simple.

Mr. McDermid: You better tell that to the provincial ministers because they negotiated it.

Mrs. Marleau: The minister is quite willing to give explanations now, but that is backtracking. I would like to believe that this was all done in good faith but I have this suspicious mind that there is more to it than meets the eye. Maybe not. Maybe for once, I am wrong. I hope I am wrong. I have not been wrong too many times before but maybe this once. If I am, I will honestly admit it and come out and congratulate you on a fabulous bill when it is all done.

This bill makes what are referred to as tax based improvements. There are about 30 tax base changes which are being made to update and improve the measurement of relative fiscal capacity of the provinces. Does that not sound great? It just sounds great, but what does it mean? That is exactly the case in point. What really does it mean?

According to the officials conducting the briefing I attended, this will result in a $200 million deal in additional benefits for the provinces for this year. Great, hallelujah. Two hundred million may sound like a large amount of money but perhaps the amounts should be $2 billion.

It is so easy to fool people when you are dealing with these large numbers. Believe me, $200 million is very little in the budgets of most provinces when they are dealing with health care and post-secondary education.

I realize it is in addition to what they get now, but they should probably get a lot more than this additional $200 million, which sounds like a large amount of money but is probably very little.

There are a number of other things in this bill. It says that it establishes a detailed framework for administration agreements dealing with all types of taxation. Oh, oh. This says an awful lot, but we are not quite sure. Does this mean there are going to be more tax points transferred to the provinces? Is that what that means? I do not know. If it means that, then it means the dismantling of the power from the centre to the provinces, which is not something my party really believes in at this time, especially when it comes to health care and post-secondary education.

Mr. Edmonston: Except for Quebec.

Mrs. Marleau: My colleague to the left here is saying except for Quebec. I disagree very strongly, but we will not get into that debate now.

There are designs to the tax system in this bill that would facilitate the collection and administration of taxes from both the government's and the taxpayers' perspectives. Is that to facilitate the collection of taxes at the border or is that to facilitate the harmonization of the GST and the provincial sales tax? It could well be, but we are not sure because it does not mention which taxes it would like to harmonize. We know the government wants to harmonize the GST.

Was this also negotiated with the provincial premiers? Has there somehow been a secret deal with some of these premiers that they would harmonize the GST. I wonder if the Premier of Ontario has agreed to the harmonization of the GST and the PST? The people of Ontario would really like to know whether that is really what this is about.

Mr. McDermid: The people of Ontario would like to see it so there is only one tax.

Mrs. Marleau: I have no idea whether the people of Ontario would like to see it. One of the things I do know is that the people of Ontario would like to know what kind of deal this government has cooked up behind closed doors on that.

Is that what this legislation is about? Are we going to see harmonization very, very quickly of our GST-PST system? That is one thing that leaves me to speculate.

The government is in a very big hurry to pass this bill. Perhaps it is necessary because it tells us that the end of the original agreement on the Established Programs Financing and on the transfer and equalization payments is in view.

We must give very serious consideration to the ramifications of this bill to make sure that we are protecting those areas which we, as Canadians, hold very near and dear.

There are very few areas now that we as Canadians can still feel very proud of. One of them is our health care system. We are still proud of it, despite some of the deficiencies that may or may not appear from time to time. It is still the best in the world.

I would hope that this legislation would not detract from it or deter from it. I would hope that all national standards be applied at all times and that a Canadian, whether he is born in Newfoundland, British Columbia, northern Ontario or Quebec would have access to the same kind of medical care no matter what his income, no matter what his position in life. I think it is very important that we ensure this.

I want to thank you, Mr. Speaker, for being very generous and allowing me to speak for as long as I have. Before I sit down, I would like to say that I have received a note from the people in my party. Yes, we do agree to having this bill sent to the finance committee.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Chambly, I believe there is unanimous agreement for the motion of the Minister of State for Finance.

Motion agreed to.

The Acting Speaker (Mr. Paproski): Debate will therefore resume on the motion for second reading of Bill C-60 and reference to the Standing Committee on Finance.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, before commenting on the motion moved by the Minister of State (Finance and Privatization), I would like to outline very briefly what Bill C-60 proposes to do.

Bill C-60 is about equalization, but it is also about the harmonization of provincial and federal taxes, which is

its real purpose. It remains to be seen whether the minister will manage to persuade the various provincial premiers to go along with this kind of harmonization, and all I can say is: good luck. So that is one of the goals of this legislation. The second one is, of course, to extend the programs for two more years.

When we talk about equalization programs, we must understand what this means. Equalization is a legislative program that is usually approved for a period of five years—a federal program, of course. The current legislation which authorizes equalization programs expires on March 31, 1992.

At the meeting of finance ministers on January 30, the Minister of Finance suggested that the federal government should renew equalization programs for a provisional two-year period, from April 1, 1992 to March 31, 1994.

Suppose we look at what this means in the way of additional amounts the federal government wants to give to the provinces, and here I am referring mainly to the so-called poorest provinces, as compared to the other provinces. Renewal of the equalization agreement would involve improvements worth more than $400 million for the provinces in 1992-93. Of that amount, nearly $200 million would be permanent improvements, while $200 million would be one-shot benefits.

• (1300)

As a member from Quebec, I am glad to see that we in Quebec will have a large share of this amount. I believe Quebec will receive nearly $200 million of the total $400 million.

We must understand that the purpose of equalization is to help the provinces pay for post-secondary education and health care. This is very important. As the hon. member for the Liberal Party said earlier, equalization is a spin-off of Canadian federalism. Whether you are from Quebec or from any other province, you cannot ignore the fact that this is a benefit of Canadian federalism. And I am very glad to see this happening, because nowadays, we as members from Quebec are trying to explain to our constituents why it is worth while for our province to stay in Canada. Quebecers often ask us: what's the point? What's in it for us? The point is that the federal government gives us this money which, of course, is collected in the form of income tax in the first place. Sometimes the money we get back is in proportion to the money collected, and sometimes it is not because the purpose is to give the money to the provinces that need it most.

Now we can, of course, challenge the figures given by the federal government. Is it fair for Quebec to receive such and such an amount, compared with what Ontario or British Columbia are getting? This can go on and on, Mr. Speaker, because as you know, figures can be made to say all kinds of things. It just depends how you want to read them.

So using the figures provided by the minister who led off the debate on this bill, I would like to quote, for each province, what percentage equalization is of provincial revenue. For instance, in Newfoundland, equalization represents 44 per cent of provincial revenue; in Prince Edward Island, 40 per cent; in Nova Scotia, 43 per cent; in New Brunswick, 39 per cent; in Manitoba, 40 per cent; in Ontario, 20 per cent. In Quebec, almost, but not quite, 31 per cent. In other words, that is the money transferred from the federal government to Quebec under equalization programs.

And just for your information, in Saskatchewan it is 27 per cent; in Alberta, 20 per cent; in British Columbia, about 20 per cent; in the Northwest Territories, about 80 per cent and in Yukon, two-thirds or 66 per cent.

Although one can disagree on the accuracy of these figures, one thing is clear: the provinces or territories that have less income to meet their expenses, which are very important, such as those for post-secondary education and health, receive the biggest pieces of the federal pie, if you want. For example, the Yukon receives 66 per cent, the Northwest Territories 80 per cent and the maritimes and Manitoba about 40 per cent.

Would this be a good reason for people in Quebec to say, "We only get 31 1/3 per cent, while other provinces receive 40 per cent of their revenue from the federal government. It is not worth staying in Canada!" I don't think so. If you believe that being Canadian is a social contract, an agreement you make with a government, then it should be done as one would in a family. Not only we but our brothers and sisters have needs, and maybe they need more than we do.

So it is hard for me to be against renewing this equalization program, because I think that it gives all provinces the money that they need, according to their needs. But after giving some support to Bill C-60, Mr. Speaker, I should criticize some things. My criticism will concern mainly the issue of harmonizing the provincial tax and the federal tax, commonly called the GST.

I know why so many provinces do not want to harmonize these two taxes. They know their voters very well, better than the federal government does. Yes, they are afraid, but this fear is real. Unfortunately the federal government and my friends and colleagues opposite did not share this fear, because it is based on reality, I believe. The reality is that when Parliament headed by this Conservative government is in session, our pocketbooks and purses are not safe.

As for the federal government, the GST and harmonization, if you, like me and my party, are against this tax, the GST, you can hardly be for a law that would harmonize these two taxes. We agree that the provinces can have their own taxes, but we think that the federal tax, the GST, should be abolished.

Now people will say, "Hold on. Abolish it?" The Liberals do not claim that it should be abolished. The Liberals claim that it should be—I don't know what the Liberal leader said just recently—transformed or changed, but kept and modified. Okay. We already heard that before: kept and modified. I think that one reason the government is so unpopular and why it will be beaten in the next election, Mr. Speaker, is not so much the Constitution or even other legislation affecting VIA Rail, Air Canada or anything else. No, it is not that. It is not because of privatization either.

Members from Quebec know why the government will be beaten in the next election. Members from British Columbia and members of that party from western Canada know why they will be beaten. It is not so hard to understand; it is clear. It is because they passed a law that allowed the GST to exist. And now, Mr. Speaker, when I talk about abolishing the GST, it means that we would not have to harmonize the provincial tax with the federal tax and charge one on top of the other, because that is what happens. I must tell you what the government could have done instead of passing an act to implement the goods and services tax. Again, you do not need magic to do it, and there are several things that can be done.

• (1310)

There is a gentleman, who is not a member of the NDP, nor a Liberal or a Conservative. I do not know what he is, but he is a gentleman who wrote a book entitled *The Canadian Legislatures*. He is the former administrator—I believe he was a bureaucrat—of the legislature of Ontario. His name is Mr. Robert Fleming. He talks about governments expenses, not only the federal government but both the federal and provincial governments. Mr. Fleming compared salaries, privileges, pensions, all kinds of expenses of the federal government—the Senate and the House of Commons—and of the provincial governments that make useless expenses which are in fact a real squandering of money.

In his report, Mr. Fleming tells us how much those governments cost us. As you know, Mr. Speaker, if I ask that we abolish a tax, I must also ask that we reduce the federal government expenses. In order to know where to reduce expenses, we must know where there are a lot of useless expenses, where there is a lot of money that is being squandered. According to Mr. Fleming, for all governments in Canada—that includes the federal and provincial governments—total expenses were of the order of $410 million five years ago. Today those expenses have climbed to $580 million, which represents an increase of 9.2 per cent each year. By gosh, if I were a union leader in Quebec and had obtained a contract giving the union members a 9.2 per cent raise per year, those workers would keep me there for life.

Mr. Speaker, the members of this House are not elected for life, nor in the legislatures elsewhere. In my opinion, it is indecent to have a 9.2 per cent increase per year, every year.

So if the government wants to make voters happy, if it really wants to do what must be done to harmonize taxes with every province, the solution is clear: it must abolish the GST, reduce its expenses and, finally, pass legislation that most Canadians and Quebecers could support.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened carefully to the member for Chambly. In his opening remarks he mentioned that the people of Quebec feel that the equalization payments, the transfer

payments, are one of the more positive reasons for the province of Quebec to stay as a part of Canada.

As the member knows, just in the last 10 years the fiscal transfers to the province of Quebec have been close to about $40 billion. I sometimes wonder, and I know that many of my constituents in downtown Toronto wonder when we hear that Quebecers want to separate. We all understand the cultural aspect of this and the emotional feeling, but just from an economic reality it seems to me and to a lot of my constituents that it is a large sum of money.

Does the member think lately that the federal presence, the federal contribution to the province of Quebec has really not been communicated clearly enough or substantially enough?

If he shares the concern that I have that it is not being communicated, does he think that maybe a very intense federal presence campaign in the province of Quebec may lessen the desire for separation?

Mr. Edmonston: Mr. Speaker, I thank my colleague for the question. Being a Quebecer, it is something I have to think about almost constantly.

It is interesting being from Quebec. One generally buys about five papers a day to get a fairly well-rounded idea of what actually happened. There are different stories coming from different perspectives, depending on whether it is a French or English paper. It could be said that both perspectives are true. It is not that there is some sort of a conspiracy or some sort of a campaign to kill an idea or to make a mockery of certain government programs or certain people who happen to call themselves federalists.

However, I believe that the presence of the federal government is badly explained to Quebecers. It is mainly because there is such a split in Quebec right now. The latest poll shows about 58 per cent of the people would vote for separation, for independence or sovereignty. By the way, all these words do not mean the same thing to Quebecers.

Independence is the hard line question, the declaration of independence, and I do not think that is as saleable as sovereignty or sovereignty association.

The federal presence unfortunately has to be promoted. We have to promote the idea of Quebec coming into Canada through administrative arrangements. We do not need unanimity. We do not need what the separatists would say that we do need and that is Mr. Wells, Mr. Filmon and Mr. Getty and others on board. We can handle this thing administratively.

That is one of the things I enjoyed about the Dobbie-Beaudoin committee. We had the best minds working with us, the best people coming before us and enough time to come up with some specific proposals that gave latitude to Quebec without requiring all of the machinery and all of the acceptance from the other provinces.

Really, as much as Quebec has been criticized for not being specific enough, I think that the Dobbie-Beaudoin committee was very specific. I have no problem with defending its position.

In conclusion, I would like to say as a Quebecer that we are counting upon the other provinces to explain to us their own objections in ways that do not come out as simply meaning that we do not want bilingualism or we are unhappy with Quebec because Quebec has received more than its fair share. Quebec has not received more than its fair share and the question of bilingualism is really a red herring.

Mr. Mills: I am not sure that the member really got my point.

Nobody who believes in federalism would object to the $40 billion of fiscal transfers that went to the province of Quebec in the last 10 years. If it is more than that, then so be it.

• (1320)

What people have a difficult time understanding is that we accept naturally and we should accept because it is part of being in a family of federalism, the fact that we help disadvantaged regions of our country. That is part of our social contract to use the member's expression. People have a tough time understanding—and I will bring it down to the smallest example experienced last weekend—when our national orchestra with over one-third of its members Quebecers goes into the province of Quebec it cannot play the national anthem. It is very tough to understand.

Obviously we are doing something wrong in our communication. This government is a pretty good communicator in my mind. We are doing something wrong in our communication of the federal presence when after $40 billion of transfers we cannot play our national

anthem in the province of Quebec with the national orchestra and its one-third Quebec members.

Mr. Edmonston: I understand the question from my hon. colleague. He is right in the sense that there is a lot of symbolism involved and symbolism in the sense of what sets off the polarization that we have between French and English. We can talk about the symphony where we have people in Quebec saying: "When you come with your symphony we don't want you playing *O Canada*". I disagree, I think *O Canada* is fine.

We will get beyond symbolism to the tangible in a moment. I just want to mention that symbolic gestures are taking on a life of their own in this country, which is very frightening. When we have for example one of the members of the Alberta legislature, Mr. Piquette, who was told to sit down because he was French-speaking and just simply wanted to throw a question out in French, that reverberates throughout the country.

When we have Quebec's flag being trampled on, by a Quebecer by the way, in an Ontario city—

Mr. Holtmann: I don't know them.

Mr. Edmonston: One of my colleagues on the other side said he does not know this particular individual. I am sure he does not, but this makes the symbolism very real.

I just want to respond that all the moneys which Quebecers receive through transfer payments, equalization payments, they will tell you: "We believe through our tax dollars that we deserve that amount".

Mr. John Reimer (Kitchener): I appreciate the opportunity to make a few comments during second reading of Bill C-60 which amends the Federal-Provincial Fiscal Arrangements Act and the Federal Post-Secondary Education and Health Contributions Act.

I would like to begin my remarks by briefly warding off a possible misconception about this bill. Despite its title, the legislation has only a peripheral and a positive effect on federal contributions to post-secondary education and health.

The peripheral involvement of health and education results from the fact that the proposed legislation corrects a transfer shortfall under Established Programs Financing or EPF that was caused by the interaction of this health and education transfer program and another federal transfer program that often is referred to as equalization. Our focus on improving equalization in this legislative proposal therefore of necessity has a slight positive impact on EPF transfers to equalization-receiving provinces.

Having made clear what this bill is not about, I would now like to explain what this bill proposes to do.

This bill involves the renewal of the equalization program, the cornerstone of Canadian fiscal federalism. This renewal follows more than 20 months of consultation with the provinces both at the official level and at the ministerial level. This bill also will facilitate co-operation between the federal and provincial governments in the mutual administration and enforcement of each other's taxes and will simplify the payment of taxes for taxpayers and for governments.

I would like to begin with a brief overview of the purpose of equalization. The purpose of equalization which is enshrined in subsection 36.2 of the Constitution Acts of Canada 1867 to 1982 is to enable provincial governments to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

I think it is important to stress exactly what is said, that it is to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

Because its benefits flow only to the less wealthy provinces, it is the most progressive of the major transfers to the provinces. In 1992-93 fiscal year, the government will provide about $8.5 billion in equalization to the less wealthy provinces. That is all of the provinces except for Ontario, Alberta and British Columbia.

Second, in renewing the equalization program, this bill provides a package of fair and generous improvements,

especially when one considers the present federal government's fiscal position. These improvements are worth over $400 million for this coming fiscal year as additional dollars to the provinces for 1992–93. Of this, roughly $200 million will be ongoing and $200 million will be a one–time additional benefit.

The size of the package of improvements in this difficult fiscal period underscores this government's commitment to the principle of sharing within the country. Funding for the renewal package will be found within the existing fiscal framework. Budget priorities will be reallocated.

With this increase the government remains firmly committed to reducing the annual deficit, working toward the day when we will begin to reduce the debt, and living within its self–imposed ceiling of 3 per cent on increased program spending.

Third, I would like to make some remarks on the renewal package proposed in this bill. All the provinces receiving equalization will gain from the federal package in two ways: improvements will increase program payout and provide an additional one–time benefit, and the limit on the growth of equalization will not apply to the 1992 fiscal year.

There are four components of the renewal package made possible in this bill: first, the equalization program is renewed for two years; second, improvements will be made in the measurement of fiscal capacity; third, the equalization ceiling will be newly based or restructured in this bill, as the bill proposes; and, finally, a technical irritant related to the interaction of equalization and another federal transfer program, the Established Programs Financing, will be eliminated. The effect of this irritant has been to reduce the have–not provinces' share of cash payments under the Established Programs Financing. All the affected provinces will be compensated retroactively for the revenues they have foregone and this bill will ensure that the situation does not recur in the future.

This bill renews the equalization program for a period of two years. Further, the government will continue its extensive consultation with the provinces during this period. The two–year extension period will provide impetus and flexibility for further changes in the context of ongoing review of all major transfers to provinces. These transfers are under the three headings of equalization, Established Program Financing and the Canada Assistance Program.

• (1330)

I would like to make a few comments regarding the tax measures. The bill also contains measures that will facilitate the administration and the enforcement of federal taxes by provinces and vice versa.

Examples of the kind of arrangements that these measures are aimed at facilitating are the administration of the goods and services tax, the GST in the province of Quebec by the Quebec government and the collection of the Quebec sales tax at the U.S. border by federal customs agents.

In addition, administration agreements between the federal government and a province could be used to simplify remittance and banking arrangements. For example, in cases in which a province administers federal tax, a taxpayer will be able to make out a single cheque to the province covering both federal and provincial taxes. The agreements can cover income taxes or sales taxes.

These kinds of arrangements ensure better and more efficient administration of taxes and thereby contribute to a better and simpler tax system.

Before concluding my remarks on this bill, I would like to look at some of the figures and the hard evidence of what is really occurring within the major transfers from Ottawa to the provinces. It is important to know exactly what has been occurring.

I would like to look at the size and growth of the major transfers, that is, all of the transfers put together into a total package: equalization, Canada Assistance Plan, the EPF and some other transfers.

In 1984–85, these transfers represented $25.6 billion. For the coming fiscal year, 1992–93, it will be $38.9 billion. We have gone from $25.6 billion to $38.9 billion during those years. We often hear people saying that we are reducing the transfers or we are cutting the transfers. Every year, the transfers go up. They are not going down, and that is the first point.

From last year to this year, from 1991–92 to 1992–93, they will be going up from $37 billion to $38.9 billion or an increase of 5.1 per cent. That is 2 per cent higher than the self–imposed spending freeze which the federal government has placed upon itself over each of the next five years.

While we are trying to solve the problem of our annual deficit and while we are trying to get to the point of breaking even and starting to pay off on the national debt, these programs and major transfers are increasing at a rate greater, 5.1 per cent, than the ceiling imposed on all program spending. That 5.1 will take place within that ceiling, so it is important to remember that this

increase is a part of that self-imposed constraint on spending by the federal government.

The rate of increase, as I indicated, will be 5.1 per cent for 1992–93 over last year. Let us put that in perspective for both a have-not province and a have province. In comparing two provinces, Newfoundland as one example and Ontario as the other.

We look at the transfers to Newfoundland. They have grown at an average annual rate of 5.5 per cent since 1984–85. This year they are likely to exceed $1.4 billion. That sum of money accounts for 44 per cent of Newfoundland's revenues and also represents a total of over $2,400 this year for every person in Newfoundland. That is almost twice the national average and is the highest of any province.

That is what this transfer program means to the province of Newfoundland. As the minister indicated in his comments earlier, only the Territories receive a larger share. Newfoundland's share is 44 per cent of total revenues. In the case of the Territories, it is 80 per cent. As I indicated here, Newfoundland's is 44 per cent of total revenues and in the case of the Territories it is 80 per cent.

Let me go on to how this applies to the province of Ontario. In the case of Ontario, the transfers have grown on an average rate of 6.2 per cent since 1984–85. This year, they are expected to exceed $9.9 billion. This total revenue in transfers accounts for over 20 per cent of total Ontario revenues. When one looks at this, over those years, this is an average increase from 1984–85 of 6.2 per cent. With the freeze that was introduced last year to the have provinces—Ontario, Alberta and British Columbia—the limit on the increase, it was not a decrease but a limit on the increase, is as follows.

On equalization, there is no annual growth rate but in the Established Programs Financing it will go up by 1 per cent according to a set formula. The Canada Assistance Plan has been frozen at a 5 per cent increase, as was announced in last year's budget. That continues this year at a freeze of 5 per cent. Therefore, the total major transfers to the province of Ontario have not been cut but they have been limited in the increase to a total of 1.9 per cent.

It is important to say that the government has not cut it but has limited the increase to the three wealthier provinces or the have provinces, as we often refer to them.

The member for Chambly was up before in response to a question of the importance of these transfers to the province of Quebec. That was a good point to be made. I am glad that the member for Broadview—Greenwood raised that point. It was an excellent point because we do not often hear it.

Let me refer to what the transfer program means to the province of Quebec in comparison to the other provinces I have just mentioned. The transfers have grown at an average annual rate of 3.8 per cent since 1984–85 to the province of Quebec. This year they are likely to total $11 billion. That is more than that received by any other province in Canada; $11 billion in the 1992–93 fiscal year. This will account for about 31 per cent of Quebec's total revenues. That also means that about $1,580 on a per capital basis is going to the province of Quebec, which is close to 25 per cent higher than the national average.

These transfer payments are a vital part of the programs for all of the provinces but particularly those which are not at the national average and therefore receive additional amounts beyond those of Ontario, Alberta and British Columbia.

In conclusion, let me add that this bill provides what I think is a fair and generous renewal of the equalization program, while at the same time maintaining fiscal responsibility in the total increase in spending by the federal government within the self-imposed constraint of 3 per cent that the government has set for itself for each of the next five years.

In addition, by facilitating the mutual administration of taxes between the federal and provincial governments, the tax measures will contribute to improving and simplifying our countries tax system as a whole.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I would like to commend the previous speaker for a fine presentation of a particular point of view.

In his remarks he made reference to a glitch in the calculation of the equalization payments and the Established Programs Financing resulting in a shortfall of revenue to the have-not provinces.

Could he explain what that glitch was and could he tell us how far back the shortfall went and the total amount it would have come to?

• (1340)

Mr. Reimer: I do not have the exact figures of the shortfall. I cannot put my hand on the exact numbers at the moment, but they will be retroactive to the have-not provinces, as I mentioned earlier. Therefore, part of the $400 million is to bring those people retroactively back up to where they should have been. Therefore, the total sum of money of a little over $400 million is made up in two parts. One is to solve part of that problem and the other is an additional $200 million to the have-not provinces to try and bring this program back on stream and to assist those who may have been suffering somewhat because of the way in which this program worked in the past.

Mr. Fisher: That pretty well answers the question. I understand the $200 million as making it up and the $200 million is the 1992-93 entitlement of the provinces but the other $200 million must represent more than one year of revenue which the provinces had not received but ordinarily would have been entitled to.

I guess we do not have an answer to how far back they were owed that money.

Mr. Reimer: I am sorry, I do not know how far back that goes. Just to illustrate, the tax base improvement of this $422 million is $212 million and the EPF equalization interaction part which would go on into the next year is $211 million. Therefore, we have $212 million in the tax improvement base and part of that is retroactive, and the $211 million totalling the $422 million.

I am sorry. We could get the figures for the member as to how far back that goes. I do not have them with me.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have an opportunity to participate in the debate on this bill, an act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

I believe that this piece of legislation goes to the very core of what Canadians are debating in their own backyards, kitchens and coffee shops. It has to do with the arrangements going on right now between the national government and all of the provinces and the territories.

Quite frankly, I support the basic thrust of this bill because the objective of this bill is to make sure that those provinces that from time to time are less advantaged than others are supported through equalization payments so that national standards can be maintained in education and health care. To me that is really what this country is all about: a nation that can have national standards. A nation that can maintain national standards on health care and education is going to have a national will that will allow it to remain strong and vital.

The stronger we are in supporting these national standards, the more the possibility of people wanting to separate diminishes. There is so much talk going on today about whether we will we stay together.

It is important for people to understand that one of the things that has galvanized us as a country has been legislation like this that has allowed us to make sure that all regions of the country are treated the same.

Part of section 7, Tax Collection Agreements, reads:

> (1) Where a province imposes taxes on the incomes of individuals or corporations, or both, the Minister, with the approval of the Governor in Council, may on behalf of the Government of Canada enter into a tax collection agreement with the government of the province pursuant to which the Government of Canada will collect the provincial taxes on behalf of the province and will make payments to the province in respect of the taxes so collected in accordance with such terms and conditions as the agreement prescribes.

I think this is something that Canadians want. The Minister of State for Finance and Privatization said earlier today in the House that this will lead toward a simplification of the tax system. Canadians are crying out for a simplification of the tax system. They are crying out for a single tax system. The paper burden not only on the personal side but on the corporate side, especially for small and medium sized business, is reaching such proportions today that people are asking if there is some political will that can organize this.

Normally, I am very disturbed and distressed by this government's basic thrust of dismantling and giving everything away to the provinces, but on this particular issue I see a reversal of form for the government. I see it trying to consolidate the tax collecting in this country. I see it trying to orchestrate or organize a single tax. Quite frankly, if it manages this properly this would put tremendous pressure on each one of the premiers to come onside. Just think of the millions and millions of dollars that this would save in just tax collection.

The Minister of State for Finance and Privatization was talking with me earlier about the harmonization of just the one tax, the GST, in the province of Quebec. I would scrap the GST in a flash if I ever had the chance.

Some hon. members: And do what?

Mr. Mills: Do not bait me with "do what". There are many tax options and tax alternatives out there and I am not going to give you a pitch today on a single tax. There is a difference between single and flat. Under a single tax, we make sure the disadvantaged in our communities are looked after and we make sure in our latest discussion on a single tax that there was a $100,000 credit for small and medium sized business so that it would decrease the paper burden tremendously.

The point is that there are many options. The member has taken me off my train of thought.

The minister basically said to me that in the province of Quebec alone, just on the GST, through harmonization, there was an administration savings of $45 million. Just multiply that. I am sure it would be no less in the province of Ontario. Let us say that the rest of the provinces were equal to that. That is a possible $200 million, $150 million, $170 million savings by eliminating duplication of tax collection services.

This is precisely the kind of efficiency that Canadians want to see. This is a situation in which the national government, for once in the last few years, is not relinquishing an administrative procedure to the province, but it is consolidating and refining the tax collection system here at the national level. I think that particular aspect of Bill C-60 should be pursued more aggressively in committee to see if we can work with each other to put pressure on all the premiers to come onside with this kind of an approach. A single tax system for the entire nation would go a long way toward increasing productivity.

• (1350)

Why do I say productivity? People in this country feel right now with the basic tax system, with so many different layers of taxes from so many different levels of government, that they are being treated unfairly. We know that in many instances they are. Under a system like this, accountability would be a much easier exercise. When people feel they understand a system and can make their governments accountable, they tend to produce more. They tend to be more productive. That, of course, will help our entire economy.

The other thing I propose in this bill is the fact that we make sure certain minimal national standards are maintained. I am a little bit concerned that the exercise of monitoring national standards is slipping away from us. I am concerned that the federal presence in all of the provinces is not being exercised right now. In other words, I am getting a sense that the provincial presence is now basically overtaking the national presence, the federal presence. This eventually is going to lead to a breakdown in our system.

When we have a bill like this where basically the national government is controlling the transfers to the provinces and where many of these transfers are equalization transfers, I wonder if the government should consider having some kind of federal presence formula attached to the transfer. I will be very specific. Naturally, I am concerned about this because of what has gone on in the last week or so where our National Arts Centre orchestra cannot play *O Canada* in the province of Quebec. I cannot imagine a national orchestra, funded by the Canadian taxpayers, coming to Toronto and not being allowed to play the national anthem. It is beyond me.

The reason I am concerned about this federal presence so much is that I wonder if maybe it would not serve all of us a little better if all of the post-secondary schools and hospitals in Canada which are basically receiving through this fund transfers as part of the federal presence were required to put a Canadian flag in front of the

hospital or school to remind people that we are part of a national government. We are part of a country where the whole is bigger than the sum of its parts. I know that we used to have a federal presence requirement when we transferred funds to the provinces. I am wondering if we should perhaps revisit that.

The rest of this bill is basically the maintenance of a formula that has been going on for many years. At a time like this when we are suffering from deep economic pain and money is short, obviously all of the provinces require more funds to maintain these national standards. We have to be practical here and realize that the government is dealing with a limited amount of resources and not be blind to the dilemma that the government has in terms of transferring to the provinces. The government should also be aware that because of this litany of cutbacks or the cap on the Canada Assistance Plan, et cetera, that even though it is transferring money to the provinces, there is still a lot of pain because of the lien on welfare funds and the general shortage due to the economic turndown. We really are going to have to work all of this through together.

All in all, I think that I have covered most of what I want to say here. I want to repeat what I said earlier to the member from Chambly, that I think the national government has a responsibility to communicate very clearly and precisely the amount of moneys being transferred to all provinces in this country, especially through equalization. It is through that awareness that our chances of staying together are going to be a lot better.

Mrs. Dorothy Dobbie (Winnipeg South): Mr. Speaker, I would like to ask the member a very brief question. I heard him mention earlier that there was no difference between a single tax and a flat tax. I would like him to explain that to us, please.

Mr. Mills: Mr. Speaker, normally a flat tax system does not take into account those people in our society who are disadvantaged. It could be single mothers, families with children, charitable organizations or small businesses. Under the single tax we have made sure that there are very progressive tax credits to look after those people in our society and smaller corporations, whereas under a flat tax it is basically one rate with no credits.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I have a question along the same line as the question that was put by the hon. member. In view of what the minister interjected when the hon. member mentioned the GST, let me ask the hon. member this question.

What would his tax system do for this growing number of people in our society who according to Statistics Canada make over $250,000 a year, report it on their income tax and do not pay one penny of income tax? A lot of them claim the child tax credit which is designed for low and modest income people. What would his tax system do to correct what this government has been doing for these people?

Mr. Mills: Mr. Speaker, I thank my colleague from Gander—Grand Falls. As he and most members in this House know so well, we have a tax act today with close to 15,000 legal loopholes or tax preferences. Many of them are antiquated and no longer meet the objective that they were originally designed to meet. Under our single tax system, all of those tax preferences would be flushed out and everybody would be in the loop.

The Acting Speaker (Mr. Paproski): It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

SOCIAL WORK

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, last week, for the second year, the Canadian Association of Social Workers observed National Social Work Week. Social work is a profession with a long tradition of dedication to improving the welfare of Canadians, especially those with special needs. These days, social workers are employed by family service organizations, hospitals, schools and child protection services. Some work directly with individuals, families, groups and communities; others do social action or research, plan social policies and develop social programs.

The 12,500 members of the Canadian Association of Social Workers should be recognized for their contribution to improving our society.

[*English*]

SOFTWOOD LUMBER INDUSTRY

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, last Friday the U.S. commerce department's International Trade Commission handed down yet another ruling, declaring that Canadian softwood lumber exports to the United States are unfairly subsidized.

This ruling, which has resulted in a punitive action of 14.48 per cent duty on Canadian lumber imports, is totally unacceptable. The softwood lumber industry stands to lose some $440 million a year as well as thousands and thousands of jobs.

The Americans are not playing fairly. Canadians more than ever believe that the free trade agreement is a one-way street leading straight to the United States. This is an election year in the U.S. They are using protectionism for political gain. This is the third time in 10 years that the Americans have changed their definition of a subsidy only to suit their purposes.

Clearly, this is harassment and the Canadian government should retaliate by imposing an import tax on American products. This is a provocation that absolutely needs to be responded to.

* * *

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Stan Wilbee (Delta): Mr. Speaker, today I join with all Canadians in expressing my disappointment in the unfair bully tactics of the U.S. government. Last Friday's announcement of a 14 per cent countervailing duty on our softwood lumber exports to the U.S. is a reflection of simple-minded political protectionism. This is completely unjustified and inappropriate in this difficult period of global economic restructuring. Fortunately for Canadians, we are able to turn to the dispute settlement mechanism of the free trade agreement for a just ruling.

I am equally disturbed by other unfair U.S. trading practices, such as the "Buy American" provision of the Surface Transportation Act. This act bars Canadian manufacturers from supplying construction materials to the U.S. for use in federally funded projects. It has had a detrimental effect on the cement and steel industries in my riding of Delta.

I encourage the Canadian government to take every step possible to ensure a level playing field for Canadian producers.

* * *

[*Translation*]

TOBACCO INDUSTRY

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, this morning we attended a demonstration of tobacco industry workers who came to denounce the special tax on exports of their products.

This discriminatory tax makes exports of their products uncompetitive and endangers hundreds of well-paid jobs, especially in Montreal and Quebec City. The factories concerned by these job losses are located in some of the poorest neighborhoods of our two cities, where unemployment is already over 20 per cent. We need measures to create jobs, not eliminate them.

Canada is the only country in the world to tax its products for export in this way, even though it has no import tax on tobacco products. This is an incentive for companies to produce outside our borders. This tax is wrong. It must be abolished immediately.

* * *

[*English*]

BOB DRAWARD

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I rise today to pay special tribute to a constituent of mine, Mr. Bob Draward of St. Clement's, Manitoba. He recently completed an 800 kilometre dog sled run to raise funds for the Manitoba division of the Canadian Cancer Society.

Mr. Draward was accompanied in the final leg of the trip by a young girl from Winnipeg, Marie-Josée, who is currently undergoing treatment for cancer.

The efforts of Canadians like Mr. Draward to raise funds for the Camps for Kids program and research projects is most needed and greatly appreciated.

On behalf of all Canadians, I would like to thank Mr. Draward and all the participants in the Mushing for Miracles dog sled run.

GASOLINE ADDITIVES

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the federal government's announced intention to remove the excise tax on the ethanol portion of blended fuels is an important step in the development of this new industry, but additional action needs to be taken.

I recently toured the Poundmaker ethanol plant and feedlot operating at Lanagan, Saskatchewan, and I must say that I am impressed with the development of that industry in Canada. We have the ability to reduce our dependence on imported light crude, restore confidence in sustainable energy and agricultural economies and improve environmental quality.

Ethanol plants can be developed in various prairie communities such as Big River, Saskatchewan, in my constituency, but the industry needs a greater federal commitment, a commitment that includes greater promotion of ethanol blended fuels, a legislated mandatory 10 per cent blend for all automotive fuels and new start-up incentives for community development of grain fed production plants like the one in Lanagan.

The economy and the environment will benefit from ethanol-related development and I urge the government to continue what it has started, and to do so quickly.

* * *

U.S. UNEMPLOYMENT

Hon. Alan Redway (Don Valley East): Mr. Speaker, have you watched American television news lately?

I did last week, and what did I see? I saw story after story about unemployment, permanent lay-offs, plant closings and manufacturing jobs disappearing forever. No, they were not Canadian jobs. They were American jobs.

In fact, between June of last year and this past January, there were some 350,000 industrial, retail and service jobs lost in the United States. General Motors is laying off 74,000 American employees and closing 12 U.S. auto plants. IBM is reducing its American staff by 40,000 and 22,000 American jobs have disappeared at Pan-Am.

Could this be the result of free trade with Canada, the GST or cross-border shopping? What do you think?

* * *

WOMEN'S EQUITY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, if women really counted for this government and if public policy promoted fairness and equity, our sons and daughters would be given equal opportunities.

Women would earn the same as men for doing the same type of job instead of the current 67.6 per cent, and the government would not refuse to meet its pay equity balance.

The face of poverty would not be female with many elderly women on tea and toast and mother-led families the poorest, occupying over half of the social housing in Canada.

Public policy is about choices. This government says it is cutting taxes, creating jobs and encouraging housing, yet since 1990, it axed co-op and cut social housing by 50 per cent, leaving 1 million in desperate need. It decreased by 1 per cent the personal income surtax, saving just 2 loonies per year for a one-earner, two-parent, two-children family making $15,000 while a single taxpayer with the same income saves $7. Big deal.

It has deep-sixed its child care program.

I find it hard to understand the choices this government makes, increasing interest rates by close to 1 per cent which ups mortgage costs and takes away up to $1.8 billion to service the debt. Instead, it could have reinstated social housing and introduced a national child care program, that basic building block for women's equity.

Mr. Speaker: The hon. member's time has expired.

* * *

HALTON—PEEL SURVEY

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my constituents have been offering me some pretty good advice lately.

Jerry Horak of Burlington writes: "I would like to see changes to the Income Tax Act, to allow equal profit-sharing for spouses, even though only one is receiving income and the other is raising a family".

Philip Tyas of Bolton comments: "Too many people place responsibility on the 'government' for all their ills and blame it for all their own shortcomings. Too few people now believe they should take responsibility for their own welfare".

Ronald Champagne of Burlington writes: "We need to educate, motivate, make people feel good about who they are and what role they play in making our country the best in the world. When you feel good about yourself, you are more productive. Productivity drives the economy."

My constituents thank you for the ongoing opportunity to put their thoughts before Parliament.

* * *

INTERNATIONAL WOMEN'S DAY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise today in commemoration of International Women's Day to recognize and celebrate the achievements of women.

As we reflect upon the important contributions women have made to our society over the years, let us join together in an effort to continue our fight to eliminate violence and discrimination against women.

Canadian women, from Nellie McClung, a pioneer of the women's suffrage movement, to Dr. Roberta Bondar, Canada's first woman in space, have provided women with inspiration to achieve their goals and contribute their full potential to society. Yet, despite these accomplishments, we still have a long way to go. The statistics speak for themselves.

At least one in every 10 women is battered by her husband or male partner. Women earn 66 per cent of men's salaries and only 2 per cent of executives are women.

It is paramount that we continue to promote the equality of all women, not just on International Women's Day, but every day.

* * *

[*Translation*]

SOFTWOOD LUMBER INDUSTRY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the U.S. commerce department has announced its preliminary ruling on Canadian softwood lumber. It is totally unfounded and unjustified. I can see no reason to hold an inquiry considering that softwood production is not subsidized in Canada or in Quebec.

• (1410)

Right now, the major American forest company Georgia Pacific Limited controls the U.S. commerce department and imposing a countervailing duty would only undermine President Bush's credibility in Canada.

Mr. Speaker, the viability of the forest industry in Abitibi must be preserved. We must fight this American action all the way and win for the sake of the Canadian and Quebec forest product producers.

* * *

[*English*]

SOFTWOOD LUMBER INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, Friday's ruling by the U.S. commerce department that Canada unfairly subsidizes our softwood lumber exports is unfair and unjustified.

The allegation about B.C.'s log export restrictions are hypocritical since the U.S. does the same thing.

Canadians who work in the over 300 forestry-dominated communities in our country will be hurt by this decision. We cannot have a repeat of the 1986 Conservative sell-out of our forests which the Prime Minister said was good for Canada.

What Canadians realize from this is that the free trade agreement is not working and that we are facing an ongoing series of trade disputes. The decision on our softwood lumber means that a trade war has started over our forests and that people working in this industry cannot rest until the free trade agreement is scrapped and we get Canadian trade back on an even keel.

* * *

[*Translation*]

MONETARY POLICY

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, this government continues to pursue its inconsistent and devastating monetary policy. Not only does it have the effect of slowing down sales for Canadian exporters, but in February alone, this government had to spend $1.08 billion just to maintain it.

This government has the gall to describe as interference the Liberal policy to devalue the Canadian dollar. Maintaining our currency at an artificially high level as the Conservatives have been doing fits the definition of interference to a T. The only difference between the two is that the Conservative policy has cost us $1.08 billion in a single month on top of having a disastrous effect on our economy.

This government would be well advised to stand up for the Canadian exporters instead of defending such a harmful policy.

* * *

[*English*]

SOFTWOOD LUMBER INDUSTRY

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I would also like to express the outrage felt by all Canadians, and in particular British Columbians, over the recent U.S. decision to place a tariff on Canadian softwood lumber imports.

Unfortunately the decision has little to do with facts and reality, but has everything to do with the politics based on greed and hypocrisy of a few large U.S. lumber companies and the politicians acting on their behalf.

Our case in Canada is strong. We do not subsidize our forest industry. There may be some differences on how we regulate our industry, but that is our right. It is outrageous for the U.S. to try and bully a neighbour which has been its largest trading partner and closest ally since our two nations were founded.

So far we in Canada have acted properly, and we must continue to act strongly. We will win because we are in the right and because we have the free trade agreement. But we will not soon forget the shabby treatment we have received.

* * *

INTERNATIONAL WOMEN'S WEEK

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, this weekend women in all parts of the world gathered together to celebrate the beginning of International Women's Week. This past December, for the first time, Canadians commemorated a national day for action on violence against women. At the Winter Olympics we celebrated as Kerrin Lee–Gartner won Canada's first–ever women's downhill gold medal.

International Women's Week is also a time to reflect on what needs to be done and examine our direction for the future. Bill C–26, the Public Service Act, will absolve the government of its employment equity obligations. The budget will deprive some of child benefits and others of justly–earned retroactive pay equity payments. Dissolving the Court Challenges Program infringes on the basic rights and freedoms of women.

Today we celebrate, but we must also continue to work to ensure equality for women across Canada and in all parts of the world.

* * *

THE ECONOMY

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, there is a strong allegation in my community and many others across the country that a tight money policy by our bankers is stifling economic recovery. A survey of small businesses in my community revealed that 50 per cent feel they are being dealt with unfairly. A more disturbing fact is that they are fearful of communicating with their banker for fear of repercussions. At my request, the vice–president of the Canadian Banker's Association was in Sault Ste. Marie. He stated that banks were low risk lenders, that financial policies are consistent across the country and that similar tight money complaints were heard in Fredericton, Saskatoon and Victoria. That does not rationalize the excess of profits, exorbitant credit card rates and outlandish service charge increases.

Is it acceptable that small business in Canada is fearful of the banking community?

I encourage all MPs to solicit feedback from the small businesses in their communities and report these findings to the local and national financial community.

Bank presidents are quick to advise governments. Perhaps our advice to them should be: "Loosen the purse strings or purse your lips."

S. O. 31

ORAL QUESTION PERIOD

[*English*]

TRADE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Prime Minister.

When I was in the United States, talking with President Bush and telling him that friendship is friendship and business is business, the Prime Minister, almost laughing, said that there was no point in getting tough with the Americans.

Yesterday after the Honda, the softwood and the magnesium cases, the Prime Minister started talking a little bit tougher.

It was the Prime Minister who gave us this trade deal. He said then that his good friends, the Americans, would never harass us the way they are doing today if we had that deal.

When will he put his money where his mouth is and do something to stop this trade harassment by the Americans?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition makes two statements that he attributes to me.

First he says that I said there was no point in getting tough with the Americans. That statement is false, completely and totally.

He then said that I said that the Americans would never harass us. That statement is false, totally and directly.

My friend is chuckling. He has just put on the floor of the House of Commons two false statements. He must withdraw those statements or corroborate them.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I will not withdraw anything. This trade deal has been managed by him and it is a disaster for Canadians today. It is only today that he is starting to talk a little bit tougher with the President. He should have done it two or three years ago but the only thing he could do at that time for the President of the United States was to sing him some Irish love songs.

Will the Prime Minister tell us what specific trade action this government is about to take against the Americans, action that will hurt them like these problems are hurting Canadians today.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I just want to make sure that I understand my hon. friend. He made two statements which I have said are false, which he imputes to me. He now says that he is not going to answer those, he is going to move on and refer to something else that has to do with the trade deal.

The hon. House leader will go out and check for those statements. He can check for a long time and he will not find them. My hon. friend clearly understands that there are $256 billion a year of bilateral trade going back and forth and obviously there are going to be disputes.

I have indicated in different circumstances and again recently that these particular disputes in regard to softwood lumber and Honda constitute vexatious harassment. They are not based in international trade law, they are based on pure politics at a lower level in the United States of America.

Fortunately, because of the free trade agreement, we now have a dispute settlement mechanism which no other country in the world has.

Some hon. members: Oh, oh.

Mr. Mulroney: I hear the yells coming from the socialists over there. I can tell you this is the only way this will be resolved. Some of the people from British Columbia representing the softwood lumber industry would be interested to know that the socialists are chuckling when they should be cheering the fact that the only way this will be resolved is through an independent dispute settlement mechanism. If it just depended on the American trade law, we would be dead as door nails. But we are going to win because we have the free trade agreement with an independent dispute settlement mechanism.

• (1420)

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to repeat to the Prime Minister in French what he did not seem to understand in English. The three actions that the American government decided to take immediately affect Quebec industries like

lumber, magnesium and auto parts. I would like the Prime Minister to tell me when he intends to take some action.

The Americans referred none of these problems to the arbitration tribunal which the Prime Minister has praised. The Americans have taken concrete action that hurts the Canadian economy. When will we take concrete action to hurt the American economy? That is what we want to know.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend may be right. Perhaps I misunderstood in English because I am not an expert linguist like my friend. Perhaps he is right; I might have misunderstood, in English or in French. However, I did understand that his statement was wrong in English as in French.

The answer is that if we have a problem now under the free trade treaty, there is an independent body or mechanism to solve it, whereas before we did not have that provision.

Nevertheless, the actions taken recently by the Americans are harassment, pure and simple, as far as we are concerned. On Sunday, in a conversation with the President, I protested on behalf of the Canadian government and we will take all appropriate action to win these two cases for Canadian industry.

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to raise a question with the Prime Minister.

In 1986 the Minister for International Trade, under this government, returned from the beaches of Hawaii and claimed a great victory in the signing of the agreement on softwood lumber.

The Prime Minister, and I will refer directly to *Hansard* at page 2364 of January 19, just to refresh his memory, said that it was a properly constituted deal and in the best interests of Canada. Well that so-called good deal was a monumental appeasement that sold out the lumber industry of this country.

Rather than whining about unnamed U.S. bureaucrats, will the Prime Minister finally learn from his mistakes? Will he give an assurance that this government will tell the President of the United States and the Congress they cannot dictate policies in Canadian natural resources? Will he also say very clearly that he will never again negotiate the kind of deal that this government negotiated that sold our rights and our sovereignty away for a price of pottage.

Right Hon. Brian Mulroney (Prime Minister): Sold our rights away for a price of pottage?

Mr. Axworthy (Winnipeg South Centre): The free trade deal sold it away.

Mr. Mulroney: Oh, Mr. Speaker, the hon. member says that we sold the rights away for the free trade deal.

An hon. member: That's right.

Mr. Mulroney: All right. Now is it the position of the Liberal Party that you would propose to revoke that deal?

Mr. Axworthy (Winnipeg South Centre): No, we are going to renegotiate it.

Mr. Mulroney: Oh.

Some hon. members: Oh, oh.

Mr. Mulroney: This deal is so bad that we sold out our sovereignty, Mr. Speaker, but are they going to revoke it? No, they are going to renegotiate it.

Some hon. members: Oh, oh.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, at least this party has the courage to say the deal is not working, that Canadians are suffering and that we are prepared to do something about it rather than standing with our paws in the air like this Prime Minister does. I wish the Prime Minister would stop saying bow-wow to the U.S. President every time he barks.

I want to ask the Prime Minister a specific question. Because of the mishandling of the lumber agreement, thousands of Canadian workers are bound to lose their jobs and hundreds of sawmills will close down. I am going to ask the Prime Minister this. Will this government now share the responsibility of paying the U.S. bond, paying the legal costs, so that we can protect Canadian workers, keep the sawmills open until we can get rid of this nefarious deal that this government signed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I have already indicated, we are challenging this matter very vigorously. We fully expect to win because the action was initiated on behalf of lobby interests in the United States, on a basis that we consider, quite frankly, to be vexatious harassment. We fully expect that before an independent court of law, as

took place during the pork dispute, Canada's rights will prevail.

My hon. friend asks with some great indignation and outrage whether we are going to do something about it. Are we going to have the courage to stand up and be counted? I will tell what we will not do. We will not follow the example of the Liberal Party when the gulf war was declared where they said: "We will stand up and fight. We will stand up and fight for Canada, but at the first shot that is fired, we are bringing the troops home.". That is appeasement, not what we are doing.

Hon. Audrey McLaughlin (Yukon): My question is for the Prime Minister. Since the Canada–U.S. trade deal—

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member for Yukon has the floor.

Ms. McLaughlin: Since the Canada–U.S. trade deal came into effect, Canada has lost 400,000 jobs. The manufacturing sector has been devastated, the dollar has been at a very high level, much higher than when the trade deal was negotiated and trade relations with the United States, whether we are talking about Honda automobiles or softwood lumber, have never been worse. The softwood lumber tariff decision was the final kick in the teeth to Canadians. It is clear protests are simply not enough. My question is simple. Will the Prime Minister send a real message to the United States, withdraw from talks between Canada, the U.S. and Mexico and show that Canada will not be a part of bad trade deals?

Right Hon. Brian Mulroney (Prime Minister): My hon. friend says that we have lost a substantial number of manufacturing jobs and she is quite right. We have lost these jobs during this recession when we had the free trade agreement. In 1981–82, without the free trade agreement, we lost approximately twice the number of jobs.

Mr. Martin: But not permanent.

Mr. Mulroney: My hon. friend says "But not permanent.". We just lost the jobs, they were not permanent. The argument could then be made that because of the free trade agreement, we have lost fewer jobs today than were lost in 1981–82.

Trade has increased, even though we have been in a recession. Trade with the United States has increased by $35 billion approximately since 1988. It is going the right way. We have secured something that most other nations would give their eye teeth for; a dispute settlement mechanism in the trade involved with our greatest trading partner. This is a major acquisition. It has served Canada well and its absence would cause us enormous damage.

We think there are good parts and there are some that are less good in any arrangement. We believe that on balance this is a major advance for Canada and we propose to proceed to live with it, to strengthen it and to improve it.

Hon. Audrey McLaughlin (Yukon): The Prime Minister says this has been a good deal for Canadians. I believe he should talk to the 1.5 million unemployed Canadians. He should talk to the many women who have lost their jobs because of those sectors being affected by this trade deal. He should talk to those businesses that have gone bankrupt in Canada.

Last week we learned that the *Financial Post* has seen a copy of the bracketed trade agreement with Mexico. We know that the Canada–U.S. trade deal is a bad deal for Canada. Why will the Prime Minister not send a real message to Mexico and say we are pulling out of those talks until Canada can get a good deal in trade talks?

Right Hon. Brian Mulroney (Prime Minister): This is interesting. Here you have a socialist party that lectures everybody else in Canada on questions of morality and helping Third World countries with developing economies. We have an opportunity here to assist a developing country, provide for 85 million citizens, not through aid, but through trade, an exchange of technology. Liberalizing trade has always been the surest way to lift countries out of economic difficulty and out of poverty, to give them an opportunity to trade into industrialized markets. The NDP is saying: "Cut off developing countries like Mexico, don't do business with them". And why? Because they are poorer than we are, because their wage rates are lower than ours.

• (1430)

What we are saying is we are going to open both our hearts and our doors in reasonable and thoughtful ways to enhance trade. By lowering barriers we create new wealth on both sides of the border, because we want Mexico and we want the other developing countries to have a greater share of industrialized prosperity and not less.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary.

Yesterday in Montreal, a Mexican labour leader said that working conditions for Mexican women employed in the maquiladoras were "inhuman".

Today the Prime Minister said it was in the interests of the people of Mexico to sign this free trade agreement. I have the following question for the Prime Minister: Is he sure that the standard of living of Mexicans will improve and that their salaries will increase now that he knows that the situation in Mexico is disastrous, especially where women are concerned? Will his government defend the women of Mexico and the women of Canada during International Women's Week and ensure that the free trade agreements will be fair to women and to the rest of Canada? I think the Prime Minister is not convinced the agreement will be a good thing for Mexican women.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, how blatantly paternalistic can you get? Why don't we let the people of Mexico make their own decisions? Why don't we let them decide whether they want to negociate with the United States and Canada to become more prosperous and help Mexican women and their families take advantage of North American technology and resources?

Would the hon. member have had Europe exclude countries like Spain and Portugal, just because they were less prosperous? According to the hon. member's rules, the women of Portugal and Spain would have had no access to the rich markets of Europe. Nevertheless, the Europeans expanded their market to a total membership of 12, including Spain and Portugal.

As a result, these countries have substantially improved their standard of living. That is how it works. By eliminating tariff barriers and asking poorer countries to join, we make them more prosperous, and that is what we want. We want to help developing countries.

* * *

[*English*]

HUMAN RIGHTS

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of Justice.

On February 28 the minister said in the House: "It is my responsibility and my duty to ensure that the laws and the policy of the Government of Canada conform to the Charter of Rights and Freedoms".

I ask the minister: How can she possibly justify staying silent while the government plans to overrule the Human Rights Commission on such a fundamental human right as equal pay for women?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, we did not plan to override the human rights tribunal. There was a disagreement on the interpretation of some documents that were requested from us.

For a period of five years we worked with the unions to establish our position, at the end of which we did put forward a massive amount of money to make up for pay equity. These documents were acquired or established with the understanding that they will be kept confidential. We asked the court to pass judgment on that and we intend to respect its decision.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary question is for the minister responsible for protecting the Charter of Rights and Freedoms for all Canadians.

The minister knows very well the shameful poverty among Canadian women precisely because of the kind of discrimination the government intends to perpetuate and the President of Treasury Board has indicated that it intends to perpetuate. Some 75,000 women are owed up to $1 billion by the government. Many are poor, will remain poor, will grow old poor, and will die poor.

Will the minister say now that it is wrong to deprive the government's own employees of money they have earned?

As defender of the charter, will the minister demand that they get what the Human Rights Commission says they are entitled to? Will she stop this economic abuse?

[*Translation*]

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I hope the hon. member does not take her own rhetoric seriously. We had a lot of catching up to do, $317 million worth, because the Liberals didn't do their job when they were in power. This government had to clean up the mess. Where were you all that time? We have paid $317 million, and we will continue to pay out $80 million annually for the sake of a cause that is vitally important: wage parity.

* * *

[*English*]

THE BUDGET

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister.

International Women's Day provided women across this country with very little to cheer about. Canadian women are quickly discovering that they were abandoned in the latest budget. There will never be a national day care program as long as this government continues in power. There will never be adequate help for working families. There will never be enough support for the 3.5 million women and families who live off meagre assistance programs.

Could the Prime Minister explain why the government chose this budget to abandon Canadian families?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I want to give this House the assurance that, as a government, we never gave up our concept of a national day care program. We feel this is an important issue. In the last budget, we had to set a number of priorities, and that is why we decided to help those children, women and families who are most in need. The proposals in our last budget are an accurate reflection of the government's concern for helping needy families, including women who are single parents and children who really need help.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the Prime Minister.

Two weeks ago the minister of health stated that the national day care program was being abandoned because the government wanted to help abused and hungry children. Yet for the past seven years this government has cut back on every support for these same abandoned and hungry children, including transfer payments under the Canada Assistance Plan, health care and, now in this most recent budget, family allowances.

How can the Prime Minister possibly argue that throwing out day care will in any way help the one million poor children his government already abandoned months and years ago?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I repeat, we never gave up our concept of day care. The measures we have put in place are fairer, more equitable and more generous to deal with a need we were able to substantiate as a result of our consultations and in line with recommendations contained in certain reports—the need to keep supporting women who need help.

As part of the special measures we have put in place, we are also able to provide support for day care. For instance, in the last budget the $1,000 deduction for day care was increased to $5,000 per child under seven and to $3,000 for children between the ages of seven and fourteen. These measures do not provide direct funding but they do help families with young children who need assistance. And that is what we are trying to achieve by improving the economy of this country.

* * *

[*English*]

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the official report which I have here of the finance minister shows the government last month spent $1.1 billion in taxpayers' money to push up the value of the Canadian dollar. Now the Bank of Canada is trying to do the same thing through high interest rates, up three-quarters of a per cent in the prime rate, severely

damaging consumer confidence, exports and economic recovery.

When is the Minister of Finance going to change this insane policy, or is this simply proof that those who say there is a secret understanding in the free trade deal to keep the dollar high are absolutely correct?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is aware that the Bank of Canada intervenes on behalf of the Government of Canada to smooth out any erratic fluctuations in order to maintain an orderly and stable market.

I remind the hon. member that monetary conditions have eased dramatically over the last 18 months both on the interest rate side, almost 7 per cent, and on the exchange rate side by more than five cents. Both these conditions provide for economic activity and provide the opportunities for businesses to be more competitive in the international marketplace.

• (1440)

Given the fact that the fundamentals are right, I believe that we can expect this kind of moderation can continue. Obviously there are times when there is certain volatility in the financial markets. We are going through that now, but I think the hon. member will agree that the policy of the government, the Bank of Canada, is indeed sound.

* * *

SOFTWOOD LUMBER INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Prime Minister on the softwood lumber tariff.

Friday's ruling by the U.S. commerce department that Canada unfairly subsidizes our softwood lumber exports is unfair and unjustified. The allegations about B.C. log export restrictions are hypocritical. Just because a province wants to pursue a policy that keeps jobs at home is no reason to apply this tariff. Washington state does it, Oregon state does it, and Washington D.C. approves it.

Why punish B.C. and Canada?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I have to agree with the hon. member that the American case is ridiculous. He has put his finger on one of the more ridiculous aspects of it.

Raw lumber exports have been treated in a silly way by the American decision. This affects other provinces, not just British Columbia. They export raw logs themselves.

There is no doubt in my mind, as the Prime Minister has made very clear, that this is vexatious harassment. In fact when we take this to an instrument we have never had before until we had the free trade agreement, the dispute settlement mechanism, we will win and we will win for reasons the hon. member educes as well as many others.

* * *

TRADE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the United States customs service has ruled that Canadian built Honda automobiles do not meet the North American content requirements of the Canada–U.S. Free Trade Agreement.

The agreement which was intended to liberalize trade between the two countries is now being manipulated by the United States government to harass, and I use the Prime Minister's own phrase: "to harass foreign investment in Canada".

Since the agreement is evidently open to manipulation by the United States, what does the government now intend to do to ensure the secure access to the American market which was its original justification?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I will remind my hon. friend that in fact the Americans seem to be doing this sort of thing to all sorts of countries, not just to us.

In this particular case, the determination by the customs officials in the U.S. is totally unacceptable to us. We have many allies on this issue not just in the provinces across Canada but in the U.S. as well. We are in a situation whereby we can continue to fight this vigorously. We have already indicated that we are going to pursue our rights under section 18. We have had meetings. Officials on both sides of the border have been

meeting. We actually had a very productive meeting last week, and this week we will be pursuing it further.

If we do not reach a satisfactory understanding we will continue to pursue our rights, even to go so far as to evoke the bi-national panel.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister claims that Canadian exporters can have recourse to dispute settlement mechanisms but he knows that they are both time consuming and costly. Further, in the case of the section 18 of the agreement which he mentions, decisions are not binding.

The question remains: How does the government intend to address the fundamental problems with the free trade agreement such as the ill-defined rules of origin and the continuing absence of any definition of subsidies? Does it intend to reopen the free trade agreement, or does it believe that it can somehow resolve these and other problems in the context of the North American free trade agreement which it is now negotiating?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, generally on this issue the hon. member's party is taking the position that GATT dispute mechanisms should settle all problems of this sort.

In fact GATT in many cases is not binding at all. It has moral suasion but it is not binding at all compared to the free trade agreement bi-national panel. Under section 18 the binding quality is far different from any GATT resolution.

Also, the time it takes through GATT to settle these issues can be not just months but years, whereas under the free trade agreement there is a set number of days, some 300-odd days when the decision has to begin and end.

There is no doubt that if you have this kind of dispute with the United States of America, it is a tremendously new, positive thing to have a dispute settlement mechanism which we did not have before the free trade agreement.

[*Translation*]

TOBACCO INDUSTRY

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Prime Minister. The export tax on tobacco will neither keep people from smoking nor prevent smuggling. The danger with this tax increases with its use. This tax will only have one real impact, and that is to export our jobs to the United States.

The Prime Minister claims that he talks tough to President Bush. Will he talk tough to his minister for national revenue? Will he tell him to withdraw that tax immediately? There are 4,000 Canadian jobs at stake.

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I find it very interesting that the critic on the environment would take this position when the Liberal Party's critic on health said on February 13, the day after the anti-smuggling announcement: "For the sake of health and business, hurrah for yesterday's proposed new $1 per package export tax on Canadian cigarettes". Hurrah as well, for high fines for smugglers. Hurrah for the government.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, this export tax on tobacco is not a contraband issue. It is not a health issue. It is an economic issue, a job issue.

This tax will result in even more cigarettes being smuggled into Canada, American cigarettes. One major Canadian processor is withdrawing from purchasing supplies here in Canada. This will cause massive job lay-offs within the industry.

Canadian growers plant their seedlings later this month. They need to know if the industry will survive.

Will this minister assure this House today that he will scrap this devastating export tax?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I am surprised that he had the guts to stand up after I just read what the health critic of his own party stated.

I can also tell him that the Non-Smokers' Rights Association today came out with a press release categorically supporting the moves of this government and supporting the Liberal health critic by the way. It was

supporting the actions of this government on the export tax.

The export tax is not there against Canadian workers. It is not there against legitimate Canadian exports of tobacco products. It is there as a broader package against the smuggling of cigarette products back into Canada. If we put a dent into smuggling, we will not only protect the jobs of Canadian retailers and wholesalers in the industry but in fact we will be in a position to protect and create some more jobs for Canadians.

* * *

NATIONAL DEFENCE

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Prime Minister.

In 1985 the Prime Minister categorically rejected Canadian government participation in the U.S. strategic defence initiative or star wars. Apparently star wars is now back on the Prime Minister's desk under the beguiling name Global Protection Against Limited Strikes or GPALS.

Will the Prime Minister agree that this project is in violation of Canadian policy expressed at the UN, is in violation of the anti-ballistic missile treaty of 1972 and is a complete contradiction to the findings of a committee of this House? Will the Prime Minister assure the House that not $1 of Canadian public money will be spent on this boondoggle?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, as my hon. friend would agree the threat to the proliferation of nuclear missiles has certainly been a great concern to members of this House and all Canadians. We are obviously also concerned about ballistic missile defence.

The project that my hon. colleague refers to is very different from the SDI referred to in the mid-1980s.

• (1450)

We have made no decision about participation. I think it would be wise, obviously, to get more information and to be involved in consultations in order to ensure that if anything does happen it would be done within the legal and the policy confines of our government and other governments as well.

Mr. John Brewin (Victoria): Mr. Speaker, it is already very clear from public information, as the minister will know, that it is in violation of the anti-ballistic missile treaty and involves the abandonment of that treaty.

In 1985 before the government got involved and made the policy decision it made, there was a full public joint committee that toured this country and heard from the public. That was before a decision was made. That committee recommended no to star wars.

Will the minister commit the government before any Canadian involvement in this project takes place that there will be a similar public parliamentary review of this project?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I am sure my hon. colleague is aware that even in the U.S. Congress they have passed laws that provide very strict limitations in the context of any program.

We are not talking about the star wars program at all. It is far too early. There have not been any discussions. I think it would be wise just to get more information about what may be proposed, Canada along with other countries around the world, to determine whether or not it is a program in which we might even wish to enter into any further longer term discussions.

* * *

THE BUDGET

Hon. Alan Redway (Don Valley East): Mr. Speaker, my question is for the Minister of Finance.

In the minister's budget he said that we will sell surplus lands at Downsview. Following the budget speech, neither the Treasury Board officials who administer federal government lands nor the Canada Mortgage and Housing Corporation officials who own some but not all of the government lands at Downsview, nor the minister's own officials knew what lands the minister was referring to.

Does the minister know? If he does, will he tell us?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I am glad to be able to inform my colleague that for clarification, the 50 hectares of land which are under the jurisdiction of CMHC are certainly not slated

for any other treatment than to be used for the development of housing.

As a matter of fact, with the sale that is taking place from Boeing to Bombardier, we are trying to effect a right of way for a collector road. Treasury Board and other officials of my department are trying to enhance the pace of development for these lands.

* * *

[*Translation*]

FORESTRY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister for International Trade.

The Abitibi-Témiscamingue area is one of the great forest regions in Canada. The forest exporters will have to deposit bonds equivalent to the temporary countervailing duty of 14.48 per cent, which will represent an additional cost for Canadian and Quebec companies.

Is the minister prepared, along with the provinces and the forest industry, to face "general" Bush and his forest soldiers in order to win the fight for Canadian forest workers?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): I would like to thank my hon. friend for a very thoughtful question. He raises a very important point.

The rates of subsidy that are alleged by the United States vary enormously from province to province with a particular unfairness when it comes to its application to his constituency.

Let us look at the facts. We have only had the second of four determinations from the United States. The department of commerce will make its final determination of subsidy by May 19. Following that we will have access to the dispute settlement mechanism under the free trade agreement which we will vigorously pursue.

I would remind him as well that we strongly object to the way the department of commerce conducted this case and we will continue to make that point.

PETRO-CANADA

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the Minister of Energy, Mines and Resources stated in a press release last week, following a statement by William Hopper of Petro-Canada that if a new partner is not found within 60 days then Hibernia will be moth-balled.

If it is so committed to Hibernia, then why did the Government of Canada through its appointments to the board of directors approve a drilling program for Petro-Canada for this year of wells to be drilled in Vietnam and the Mekong delta; in Columbia, the home of the drug lords; in Myanmar, the kingdom of corrupt government?

Will this minister now tell Mr. Hopper to hop to it, cancel those foreign investments and to spend our taxpayers' dollars in Canada? Then we would not need another partner in Hibernia.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, first of all I will try to answer that question.

I know it is within the jurisdiction of CIDA because what the hon. member is talking about is the former Petroleum Canada International Assistance Corporation, PCIAC. It had a $50 million budget which was administered by Petro-Canada. It was through that budget that Petro-Canada was making various investments in various places around the world, some of which he mentioned. PCIAC was wound up not by this last budget but the previous-to-last budget and it was put into the CIDA account at that time.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the Government of Canada presently owns 80.5 per cent of Petro-Canada and has appointed every single member to the board of directors of Petro-Canada.

Not only did the government approve a Petro-Canada deal with that cruel military dictatorship in Myanmar, but this government also approved through the board of directors—they knew about it—a $6 million so-called signing bonus to be paid to these military dictators.

Why did the government allow the deal to be signed in the first place, and then the $6 million to be used as a 100 per cent deduction as a business expense on the income

tax return of Petro–Canada, when everybody knows all it was was a bribe?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I think this issue came up once before. In fact, if I recall the last time it came up in the House it related to Canada's international policy.

From what I know as Minister of Energy, Mines and Resources, first I say to the member that in a number of the allegations he makes he possibly should be somewhat careful as to what he says.

Second, I would point out to him that yes, Petro–Canada does operate in the marketplace as a company within that discipline. I have been concerned in terms of this relationship where, on the one hand, though I am very willing to take my responsibilities as energy minister, and yet Petro–Canada through the privatization is now found in another jurisdiction, the fact of the matter is that with Petro–Canada we have allowed it to operate at arm's length.

I am not pleased when the chairman of Petro–Canada makes those kinds of comments about Hibernia and I have rebuked him publicly. I frankly do not like some of the manner in which Petro–Canada operates.

In terms of the money that the hon. member mentions, I have checked as I promised I would and there was $6 million that went from Petro–Canada to Myanmar Oil which is owned by the government of that country.

I am not particularly pleased that there are all types of these kinds of arrangements made not only with Petro–Canada and the oil industry internationally but also a number of other industrial organizations as well.

I am not trying to duck the responsibility but if the hon. member wants more information I do think he should ask Petro–Canada specifically as to why and to what policy it is really directing itself when it made those deals.

* * *

ATLANTIC FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Prime Minister, who will know that foreign overfishing off Canada's east coast is and has been characterized as an international scandal. The fishermen know that who are now without jobs; the plant workers know it; last night on national radio conservationists and environmentalists from all over the world said so. They said the government ought to have acted on it long ago.

I want to ask the Prime Minister, because people down east particularly want to know where he stands on this issue: When is the government finally going to admit that the sweet talk on this one, the diplomacy, is not working? He knows that. Would he now move to take over custodial management of the transboundary fish stocks down there?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I met last week with Premier Wells and I am meeting in a few days with Mr. Cashin with whom I have spoken, so as to co–ordinate all activities, provincial and federal, in regard to how we can deal with this very serious problem.

It is not easy because as my hon. friend knows much of the problem is caused by the fact that foreign overfishing is taking place immediately outside the 200–mile zone. Therefore, while they are technically legal, they are offending the principle because fishing at that spot, across that barrier, continues to undermine the stock and ultimately destroys the resource.

• (1500)

I have had conservations as late as last evening with the Prime Minister of Italy on behalf of his European obligations. I have discussed it with Premier Wells as to the manner in which this can be raised as a very serious environmental issue at the Rio conference.

The minister of fisheries and I have examined a proposal of some seven or eight items that we are considering with the Government of Newfoundland and others. We view it as an extremely serious matter that affects the people of Newfoundland and Labrador in a most unfair way. We are going to act strongly and vigorously and I would be grateful for any ideas or suggestions or help the hon. member might be able to provide the government.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, there are those who would disagree with him that it is legal even from a technical standpoint. NAFO gave this government, years ago, the option of taking over custodial management, but it is good to hear that

the Prime Minister is focusing on the issue. He will know that Canadian fishermen have had enough on this one and they have given notice that they intend to confront those pirates, the Spanish and the Portuguese, out there on the high seas with the tacit blessing of the minister of fisheries.

I want to ask the Prime Minister this. Why is the government just standing by and allowing the fishermen to go out and fight their battle alone? Would he not agree that it would be much more productive and in line with his new-found support for this cause if he were to provide some Canadian ships that go out there and accompany the trawler protest? Or is this another case of letting others do the government's dirty work for it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are not engaging in any dirty work and we are not asking anybody to engage in any dirty work on behalf of Canada. We are a country that does not engage in dirty work nor do we encourage it.

We are a country that lives by international law and demands respect of international law by others, including the Europeans who are contributing to the destruction of an important national resource off the coasts of Newfoundland and Labrador by their deliberate and wilful acts. We are in the process of persuading them of the self-delusion of which they are capable by their very acts and the ultimate destruction of this great resource which will harm them and harm everybody in Newfoundland and Labrador.

We are pursuing this. The minister of fisheries is pursuing this vigorously in a dozen different ways. Many of them lack the drama of dispatching the navy or military instruments out there. It lacks that drama, but it retains a great sense of reasonableness and force and effectiveness on behalf of the people of Canada.

We will only resolve this important question by deploying all of the resources of the government and the people of Canada in defence of the interests of Newfoundland and Labrador. However, this does not include, and never has, the dispatching of military force against our allies while they are operating outside of the 200-mile zone.

We believe that good sense will prevail and that the programs we have in force and the activity we are going to engender will prevail on behalf of the fishermen and the people of Newfoundland and Labrador.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of Mr. Stipe Mesic and Mrs. Gordana Turich, members of the Croatian Parliament.

Some hon. members: Hear, hear.

* * *

PRIVILEGE

STANDING COMMITTEE ON EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

Mr. Jim Fulton (Skeena): Mr. Speaker, I initiated this question of privilege on January 22 of this year, which was the earliest opportunity that I could do so following receipt of correspondence from Mr. Douglas Rutherford, the associate deputy minister of justice.

The Table at that time suggested that it was appropriate first to seek the tabling of U.S. justice department correspondence by the Standing Committee on External Affairs and International Trade.

On February 25 of this year, the chair, the Hon. John Bosley, wrote back advising that there was no direct reference to the letter in the minutes for the purpose of tabling. However, the contents of that letter were referred to on page 1325 of the October 29, 1991 committee hearing.

I believe I can demonstrate, Mr. Speaker, that there is a prima facie case of a senior public servant knowingly misleading a member of this House. This is a most serious contempt of Parliament and cannot go unchallenged.

The associate deputy minister of the litigation section, Mr. Douglas Rutherford, was a witness before the external affairs and international trade committee on October 29 where he gave evidence on the extradition of Leonard Peltier from Canada to the United States. Mr. Rutherford, following adjournment, advised me that he had in his possession the U.S. justice department response regarding the Peltier extradition matter that was referred to in a letter between Judge Heaney of the U.S. Court of Appeal and Senator Inouye from Hawaii. He produced a file and held the file to allow me to read the

letter. In fact, Mr. Rutherford turned the pages to allow me to complete reading the letter. It was a recently dated and signed document from the U.S. department of justice.

Unknown to me, Mr. Rutherford had no legal authority whatsoever to reveal the privileged contents of the letter. In fact, in his November 1, 1991 letter to the U.S. department of justice he requested consent for disclosure three days after having disclosed it to me in the committee room, 269 West Block. He in fact offered up a mechanism to block the release of the document on the Canadian side if the U.S. government wanted that done.

The prima facie basis of the case are the following in point form. First, I saw the letter and read both pages and can identify it. Second, I saw the date and signature. Third, the associate deputy minister, Mr. Rutherford, permitted me to read the letter and then denied that he had done so in writing. Fourth, Mr. Rutherford then suggests: "Had you been able to read the actual letter" suggesting that perhaps I, as a member of the House, had done something untoward or possibly illegal about my access to that letter. Fifth, the fact is Mr. Rutherford disclosed material for which he did not have disclosure authority and subsequently made false statements and attempted to cover that up. He was in violation of both ethical and legal authorities.

He therefore chose to deliberately mislead a member of the House in an attempt to sanitize his own improper, unethical and illegal activity.

SPEAKER'S RULING

Mr. Speaker: I have listened. The hon. member has given me some indication of the line of argument that he was going to take and I have listened carefully. I do not think that the hon. member needs to pursue it further at the moment.

I have to say to the hon. member that there are other avenues available to him which he may decide to use. One of them of course is to take further steps within the committee.

I am not persuaded at the moment that there is a prima facie case of privilege. There may be a matter in which the hon. member takes very strong exception and that matter might be pursued further, but I have to advise the hon. member that certainly at the moment there is not a prima facie case and I would ask him to accept that, as I know he will.

There may be further developments in the matter and if there are, I would be prepared to hear them further.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (C), 1991–92

A message from His Excellency the Governor General transmitting Supplementary Estimates (C) for the financial year ending March 31, 1992, was presented by the President of the Treasury Board and read to the House.

[*Translation*]

REFERRAL TO STANDING COMMITTEES

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to propose the following pursuant to sections 85 and 86 of the Standing Orders of the House:

That Supplementary Estimates (C) for the fiscal year ending March 31st, 1992, which were tabled today, be referred to various standing committees as follows:

[*English*]

Since there is a detailed allocation of the estimates from various committees and the list is lengthy, if it is agreeable to the House, I would ask that the list be printed in *Hansard* as if it had been read.

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

Some hon. members: Agreed.

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

To the Standing Committee on Aboriginal Affairs

Indian Affairs and Northern Development, Votes 1c, 7c, 8c, 15c, L20c and L25c

To the Standing Committee on Agriculture

Agriculture, Votes 1c, 5c, 20c, 25c and 30c

To the Standing Committee on Communications and Culture

Communications, Votes 1c, 2c, 10c and 15c

Secretary of State, Vote 5c

To the Standing Committee on Consumer and Corporate Affairs and Government Operations

Industry, Science and Technology, Vote 107c

Privy Council, Vote 1c

Public Works, Votes 1c, 10c and 17c

Supply and Services, Votes 1c, 5c, 11c, 12c, 13c, 14c and 15c

Treasury Board, Vote 1c

To the Standing Committee on Environment

Environment, Votes 1c, 5c, 10c and 30c

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 10c, 11c, 15c, 35c and 57c

To the Standing Committee on Finance

Finance, Votes 1c, L11c and 17c

National Revenue, Vote 5c

To the Standing Committee on Forestry and Fisheries

Fisheries and Oceans, Votes 1c and 10c

To the Standing Committee on Justice and Solicitor General

Justice, Votes 5c, 15c and 25c

Solicitor General, Votes 1c, 10c, 11c and 30c

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 1c, 6c, 15c, 16c and 25c

Labour, Votes 5c and 15c

To the Standing Committee on House Management

Parliament, Vote 10c

Privy Council, Vote 15c

To the Standing Committee on National Defence and Veterans Affairs

National Defence, Votes 5c and 20c

Veterans Affairs, Vote 1c

To the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women

National Health and Welfare, Votes 1c, 5c, 10c, 15c, 20c and 25c

To the Standing Committee on Industry, Science and Technology, Regional and Northern Development

Atlantic Canada Opportunities Agency, Votes 1c and 5c

Indian Affairs and Northern Development, Votes 31c, 32c, 35c, 36c and 45c

Industry, Science and Technology, Votes 1c, 5c, 6c, 75c and 80c

National Health and Welfare, Votes 26c and 27c

To the Standing Committee on Transport

Transport, Votes 1c, 2c, 10c, 15c, 16c, 27c, 28c, 35c, and L46c.

Motion agreed to.

DEPARTMENT OF JUSTICE

1990–1991 ANNUAL REPORT

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, the annual report of the Department of Justice for the year 1990–1991.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 42 petitions.

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

* * *

THE COMMONWEALTH

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, I rise in the House to invite all Canadians to celebrate their membership in the Commonwealth. Canadians can take pride today in the accomplishments of this dynamic institution.

The Commonwealth is very diverse in composition yet it is united by a common heritage and common values. This community and diversity is the Commonwealth's greatest strength. It is now a family of countries grown from common roots to include more than one-quarter of the world's population, over 1.3 billion people on five continents.

[*Translation*]

In the last 12 months, the Commonwealth has redefined its role and its direction. At the meeting of the heads of Commonwealth governments in Harare last October, we reaffirmed our commitment to the principles of peace and order, personal freedom provided for in the act, recognition of racial equality, and closing of the gap between the rich and the poor. More importantly, the heads of governments have made sta- tements in Harare that express a new set of objectives, values and priority strategies for the Commonwealth of the 1990s

and the beginning of the next century. Prime Minister Mulroney, who was a member of the high level task force, made a very useful contribution to the drafting of the text of the declaration and emphasized the important contribution of this stable democratic group at a time when many countries are turning to democracy.

[*English*]

The renewed Commonwealth is dedicated to the protection and promotion of the fundamental human values important to Canadians and to citizens of the Commonwealth; good governance, democracy, fundamental human rights and women's equality.

One important facet of the Commonwealth has not changed. The vigour and relevance of the Commonwealth springs from its pragmatic approaches and from its grassroot ties. The Commonwealth nurtures links between our societies, establishes people-to-people contacts in a vast international network of professional, cultural and sports organizations. These organizations constitute the backbone of the Commonwealth and ensure its continuing vitality. Members know that these organizations reach into this very Chamber in the form of the Commonwealth Parliamentary Association which, per the Harare declaration, should play its full part in promoting the objectives of good governance, democratic development and the promotion of human rights and women's equality in a spirit of co-operation and mutual support.

[*Translation*]

The capacity of the Commonwealth to establish links between different nations is a living symbol of international co-operation, as well as an example for other international organizations. Canada was honoured by the fact that the Secretary of State for External Affairs presided the meeting of ministers for external affairs when they met in New Delhi last September, at which time they recommended the gradual lifting of the sanctions taken against South Africa. The following month in Harare, the heads of governments followed up on this recommendation and lifted the sanctions that directly affected the population. Canada is pleased to see the progress accomplished so far toward a reform in South Africa and it will continue to promote the negotiation process between the South African government and the other groups.

[*English*]

The Commonwealth continues to be one of Canada's most important windows on the world. We want to ensure that it not only continues as a force for peace, human rights and development, but also becomes a model and a catalyst for new forms of international co-operation in the 1990s and beyond. As the new century approaches, we should all remember that one of the many advantages of the Commonwealth lies in its ability to spark friendly, open and fruitful dialogue.

Today we celebrate the Commonwealth in the knowledge that Canada is not alone as it faces the global challenges of the future. We are among family.

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, first of all, I would like to join with the hon. Secretary of State for External Affairs in asking all Canadians to celebrate Commonwealth Day, which marks their membership in the Commonwealth. Of course we believe that the Commonwealth is a very attractive international organization for Canada and the whole world.

[*English*]

The Secretary of State pointed out in his remarks, and it was an appropriate time, that the Commonwealth like every other international body is going through a period of re-evaluation, review of the future directions and missions. Certainly we were all supportive of the statements at Harare in setting out new goals and values and purposes. It would be less than honest if we did not begin to raise the question of what has happened since. Where is the beef? What is happening in the Commonwealth and what is happening to Canada's commitment to it?

I suppose there is no more profound way of indicating a government's commitment to a project or a program or an organization than where it puts its money. It is interesting that in the estimates tabled some 10 days ago, there is a substantial reduction in the Government of Canada's commitment to the Secretariat of the Commonwealth.

I recognize that all organizations must tighten their belts accordingly, but one has to measure this belt

tightening and the reduced commitment of the Canadian government to the Commonwealth against the increased needs that many of the Commonwealth countries are facing, indeed that the Commonwealth organization should be supplying. There was one lesson to be drawn out of the Harare declaration.

• (1520)

The Commonwealth must now begin to target specifically a number of key areas of support in the development of democratic governments and in the promotion of human rights.

I was dismayed in reading a report from Amnesty International just last week pointing out the frequent incidents of forceful abuse of women by governments—torture, rape, interment—included among its several Commonwealth countries.

We, as a member of the Commonwealth, have been less than active in bringing that very serious and very specific issue to the forefront. Perhaps it was most clearly demonstrated in the events in Kenya in the past three or four weeks when the leader of the opposition, one of the outstanding women in the Commonwealth organization, was beaten, tortured, put in prison and only finally let loose after there was some protest.

It does demonstrate clearly that the Harare declaration has a long way to go before it becomes reality. It would seem to me that the responsibility of Canada in many of these cases, as the secretary himself stated, is to put forward the equality of women, to use one example, as a priority for discussion within Commonwealth circles to see how we can begin to respond to that very serious issue.

I think Amnesty International is not an organization known for excesses in its assessment or analysis. Here is an area in which we can do some very specific good. It may not be as dramatic as fighting apartheid was back in the days when that scourge was on the world stage and which is now we ameliorating, we believe.

Certainly as we move into a period in which more and more people at the grassroots are reaching out to build a new foundation of human rights and democratic institutions, there is a crying need for us to support them. That is purely, if you want to put it in the crassest terms, enlightened self-interest.

The more democracies there are, the less trouble we will have in the world. There will be fewer possibilities of invasion, transgression, conquest and forcible use of arms. It is a good investment.

I know I do not have much time to respond to the hon. minister's statement, but for all the reasons that were enunciated in the original statement about the value of the Commonwealth, its history, its experience, its ability to bring countries together from diverse cultures and diverse regional areas, now is the time to be giving it a new set of activities, a new set of missions.

It is not the time for grand declarations of heads of state at photo opportunities once a year, but rather the time for using the Commonwealth to bring to the fore very specific initiatives, such as the kind I mentioned. There can be many others.

I say to the members of the government that it would be valuable to our Commonwealth partners if Canada became a far more active advocate on the world stage as we go to G-7, OECD or IMF meetings to tackle the problem of Third World debt, which is crippling many of our Commonwealth nations and bringing them to their needs.

I might point out that because of the austerity measures being imposed by international financial institutions, the victims again are women, children, schools. Again, we are not on the forefront. We have not taken leadership at the IMF or the G-7 saying: "Do something about it".

The most important way we can celebrate Commonwealth Day is to give the Commonwealth organization something real, valuable and meaningful to do. Members of the Commonwealth look to this country to take that initiative.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I too am pleased to rise today on the occasion of Commonwealth Day to recognize the challenges that face us as a nation and that face the Commonwealth at this very important time in global history.

Today we in Canada join with some 49 other countries in the Commonwealth in marking Commonwealth Day. Many of us were particularly pleased that in 1990 the 50th member state of the Commonwealth, the free nation of Namibia, joined the Commonwealth.

I think it fair to say today that perhaps more than ever before people within the Commonwealth, leaders within the Commonwealth, are questioning the direction, the focus and the objectives of the Commonwealth itself.

Just today at a luncheon hosted by the Speaker with High Commissioners from the Commonwealth, Senators, members of this House, we heard from the Dean of the Commonwealth High Commissioners, the High Commissioner of Ghana, who spoke eloquently about the particular challenge that faces the people of the Commonwealth, the challenge of grinding poverty and injustice that faces too many of our member nations.

At the most recent conference of heads of government of Commonwealth, which was held last fall in Harare, Zimbabwe, leaders of the Commonwealth had an opportunity to clearly state their commitment to fundamental human rights, to a serious implementation of those principles.

A special working body headed by Flora MacDonald stated that the Commonwealth's record with respect to human rights has, in many instances, left a great deal to be desired. Despite a clear challenge by the working party headed by Flora MacDonald, the Commonwealth did not respond. Instead, the closing declaration of the Commonwealth in Harare was, in the words of Flora MacDonald, full of pious words that were inadequate to deal with the flagrant abuses that take place in Commonwealth countries.

Let us be clear when we talk about human rights. We are speaking of traditional civil and political rights, rights which are brutally suppressed in too many member nations of the Commonwealth. We are also speaking of economic, social and cultural rights. It is here where there are great challenges remaining. The fact is that while Canada on the one hand supports a clear commitment to democracy, to the rule of law, to freedom of speech and freedom of association, too frequently Canada within the World Bank, within the IMF, also supports policies of structural adjustment which increase the gap between rich and poor.

Surely as Canadians we recognize that the right to decent health care, housing, a proper diet are just as fundamental, just as important, as the right to the traditional civil and political rights.

As the very distinguished Canadian scholar Frank Scott has pointed out, the trappings of democracy hang loosely on an emaciated body politic. It is essential that our government play a leadership role within the Commonwealth in ensuring that the Commonwealth means business when it comes to human rights, that there is a mechanism for implementation

Particularly in this year of the international conference on the environment in Rio de Janiero in June, we must recognize that human rights must include the right to a clean and sustainable environment as well.

I recently returned from travelling in a number of Commonwealth countries such as Sri Lanka, India, Malaysia and I very much regret that in each of those countries there are serious human rights abuses that continue.

In the context of Malaysia, for example, repressive security laws are in existence. As well, we know that the right to protection of the environment, the rain forest in Sarawak, is being devastated and the very survival of indigenous peoples, particularly the Penan Indians, is at stake.

I think it is time that while we recognize the contribution the Commonwealth has made, we also have to recognize that the Commonwealth is becoming an increasingly irrelevant institution. Unless it finds its bearings, unless it recognizes the challenge that lies ahead with respect to human rights in the broadest sense of the world, it will continue to be merely an old boys club of the former colonies. Surely that is not acceptable.

I say in closing that Canada will be taking part in hosting the Commonwealth Games in Victoria in 1994 in the constituency of my colleague from Victoria. I would hope that by 1994 Canada would recognize that our most significant commitment in the Commonwealth can be a reaffirmation of the principles of democracy, peace, of the rule of law, of true respect for human rights and equality, of a clean environment. These must be the values that guide the Commonwealth if it is not to fade into total irrelevance.

• (1530)

STATUS OF WOMEN

INTERNATIONAL WOMEN'S DAY

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I rise with pride today to join with women across the country and around the world to recognize International Women's Day.

International Women's Day is an occasion for all of us to take a few minutes to pause and reflect on the progress of women toward equality in our society. We applaud the achievements of the past, we endorse the initiatives of the present and we look ahead to the challenges of the future.

International Women's Day was born over 80 years ago out of the struggle of women in the sweat-shops of the garment industry. They were working to achieve better pay and better working conditions. Clearly we have come a long way since the turn of the century, but we still have a long way to go.

History teaches us that many of the advances that women have made have come from solidarity. In Canada, women joined together over 60 years ago to fight for the right to be considered persons under Canada law.

Today, hundreds of national and local women's organizations are active in promoting all aspects of women's rights. In partnership with government, labour and other sectors, they have been successful in bringing issues of concern to women to the forefront of the national conscience because women's issues must become society's issues.

[*Translation*]

Mr. Speaker, we must never lose sight of the achievements of women who have contributed to the richness and vitality of Canadian life. I was therefore pleased this morning to announce that October would be women's history month in Canada.

We chose October because it was on October 18, 1929, after a long hard struggle, that Canadian women won a victory in the "Persons Case" that made them eligible for the Senate.

[*English*]

Women's History Month will promote public awareness of achievements like the persons case, achievements that are significant but often forgotten.

Women's History Month will encourage Canadians to reflect upon and celebrate women's contribution to our history as a nation and as a people.

Women's History Month will remind us of the initiatives of the present that are built upon the accomplishments of the past. Thus, Women's History Month will help foster a better understanding of the diverse roles that women play in contemporary society.

Canada is also proud of its record of achievement for women both domestically and internationally. We are making important progress toward equality on many fronts.

The government has put violence against women at the top of the public agenda. What began as a grassroots women's movement with its origins in rape crisis centres and shelters for battered women has now moved on to the national stage with the establishment of the Canadian Panel on Violence Against Women which is currently criss-crossing the country and talking to women and men and seeking solutions and preventive measures.

So we eagerly await the recommendations of the panel this December and to be able to move forward to solutions.

[*Translation*]

Last year, the parliamentary committee on health, welfare, social affairs, seniors and the status of women published recommendations on violence against women in its report entitled "The War on Women". The government responded in November with initiatives in prevention and education and changes to the legal system and to services for victims, offenders and members of their families.

In the past year, the House also passed stricter firearm control measures and proclaimed December 6, the anniversary of the massacre of 14 young women engineering students in Montreal, a National Day of Remembrance and Action on Violence against Women.

[*English*]

Canada is also proud to be in the forefront of international efforts to promote political, economic and social equality for women working within key international organizations. Within the United Nations we are one of the leading countries addressing the global problem of violence against women.

Canada recently sponsored a meeting of international experts to develop strategies to eliminate all forms of violence against women. In our Canadian delegation to the UN Commission on the Status of Women, which is meeting in Vienna this week and next, we will be seeking broad support for our international measures to counter violence against women.

We have also been working with the Organization of American States to develop an inter-American convention to eradicate violence against women. Indeed, within the Commonwealth, which we are also honouring today, Canada was successful in achieving renewed commitment for equality for women at our recent heads of government meeting. In fact, the Commonwealth leaders endorsed what is now called the Ottawa Declaration on Women in Structural Adjustment which the status of women ministers developed during their meeting here in Ottawa and which is aimed at promoting economic equality for women.

[*Translation*]

At the recent francophone summit, the Prime Minister announced that Canada would sponsor the establishment of a network of legal aid and referral centres for women in order to meet the needs of women in those countries.

On this International Women's Day, Mr. Speaker, while we celebrate our achievements of yesterday and today, it is also important to look to the next decade and the work that remains to be done to break down the final barriers to equality for women.

[*English*]

The challenges are many. I would like to see a future in which the only limits to women's achievements would be delivered by each individual herself. I would like to see a future in which half the seats in this House, in the Senate and in elected chambers across the land are held by women. And I would like to see a future in which women hold half the management jobs in both the public and the private sectors, and employers consider it routine to help workers better balance work and family responsibilities.

But most of all, I would like to see a future in which Canadians resolve conflicts in non-violent manners and treat each other with fairness and respect.

To achieve this future, women and men must continue to work together. The lessons of the past and the present, the things done when we work together to bring about change, must not be forgotten.

Canada's commitment to the promotion of equality for women right across the world remains firm and unequivocal. On the occasion of International Women's Day, I wish to assure this House that the promotion and protection of women's rights will continue to be a fundamental aspect of both Canadian domestic and foreign policy.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am pleased to respond to the minister on this very important International Women's Day.

Women have made significant gains in the last century. However, we still are a long way from being equal citizens. We have improved our position in society, not because those in power acted in an altruistic manner, believing that women were deserving of equal rights in the social, political and economic realms; rather, women have earned these rights and the right to be considered citizens and persons because they had to fight long and hard battles, most often without allies. Our rights have almost always been accorded grudgingly.

We are far from having obtained true equality. Women still earn only 65 per cent of what men do, and the glass ceiling still prevents women from climbing the corporate ladder and from reaching the upper echelons of the civil service.

This government's record belies the commitment to the advancement of women. At best, it is an uncomfortable commitment. Stricter gun control laws and the panel on violence against women are notable achievements for all women and for society in general. However, what the government gives with one hand, it takes away with the other.

• (1540)

I listened very carefully to the minister responsible for women's issues speaking of what she would like to see women achieve in the next while with regard to a high percentage at the corporate level and a high percentage here in the House of Commons. I think we all would like to see that. However, when I look at what has happened in this recent budget, it gives me great doubt that she is really serious. For instance, this recent budget has axed day care, thus reneging on the government's 1984 electoral promise to create a national day care system.

It has stated that it will not make retroactive payments prior to 1990 for pay equity. It has announced that it will cancel a spousal allowance program should it result in substantial increases in government funding. It has cancelled the Court Challenges Program, denying many women, among others, the chance to make their charter rights become reality. It has cut back spending on social housing and cut the co–operative housing program, two programs upon which many Canadian women are dependent. Royal commissions and new laws are not sufficient when the financial underpinnings are absent. Good publicity, bad social and economic policy is just not good enough.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, when women gather these days, it is often to talk about hardship. We talk about violence and we talk about fear, violence against our sisters, our friends, our mothers, our daughters and ourselves, and our worries for the next generation. Today, however, for International Women's Day I prefer to honour our achievements of the past, reflect on the connections between women's lives and celebrate our role in the ongoing struggle against discrimination.

Women have had to struggle for every right we have. I stand here now, a member of Parliament, when once I would have been barred from voting. I have been inspired by the first woman member of Parliament, Agnes Macphail, who was a member of the party which later become the New Democratic Party. While journalists quoted the speeches of her colleagues, they criticized the cut of her clothes, focusing solely on her appearance. All eyes were upon her watching, waiting for a mistake that would prove women were not fit for politics.

When I was first elected, I thought things had changed. Yet still, as women members of Parliament, we face ridicule. Journalists continue to focus on our appearance. We rise to speak in the House of Commons surrounded by a sea of suits.

I want to acknowledge the minister's comments regarding wanting to have 50 per cent of the House of Commons as women and the Liberal spokesperson applauding that. I want to point out that the New Democratic Party has taken the only steps possible for affirmative action that would encourage more women to run. It was a tough decision, but this party has once again been put on the forefront of that cutting edge, trying to include women in the politics of Canada.

The difference between Agnes Macphail and me is that although it often feels lonely being a woman member of Parliament, I am not alone. I look at the bench in front of me and see my leader, the first woman leader of a major federal political party in North America. I watch my leader rise and speak out for women, and I am proud.

Woman are often asked a curious question and those of us who are women in the House will remember this. We are asked: "Do you work?" Women have always worked. We have worked in our homes, bearing and raising children, cleaning, cooking. We have worked in the fields as slaves, as labourers and as farmers. We have worked as nurses on the front line, even though in times past we were excluded from becoming doctors because men said we could not stand the sight of blood. We have worked at the side of husbands, as merchants and are now setting up our own businesses and succeeding at a greater rate than our male counterparts, despite reduced access to credit.

We still face our many battles. A recent motion in the House of Commons to provide adequate funding for birth control research and education put forward by my colleague, the hon. member for New Westminister—Burnaby, was defeated by the Conservative members of Parliament.

The Court Challenges Program was a victim of the recent budget cuts. This action by this federal government acts to silence women and other disadvantaged groups. Thankfully the B.C. government announced only last week ongoing operational funding of over $1 million a year for women's centres.

The provincial government is acknowledging the value these centres bring to each community, while in stark contrast the Conservative government's budget once again says no to women, no pay equity, no child care. Know your place.

We are women who know our place all right. Our place is one of equality. On International Women's Day and every day I urge you to think of building a world-wide movement for social justice, for positive change for all people, for without a dream and a vision where would any of us be?

* * *

PETITIONS

JUSTICE

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I have several hundred petitions to present with many thousands of signatures from my own riding of Hamilton Mountain, from around the Hamilton area and indeed from right across Canada.

These signatures are to be added to the over 250,000 signatures that have been presented to the clerk by me. There are many thousands that have been presented by other members of Parliament.

These petitioners feel that there are serious deficiencies in the criminal justice system. They feel that sentencing in crimes of violence does not appropriately reflect society's abhorrence of violence in order to act as a true deterrent to protect the public by removal of the offender from society.

These petitioners request that Parliament recognize that crimes of violence against a person are serious and abhorrent to society. They ask that the government amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

Mr. Sergio Marchi (York West): Mr. Speaker, I too have a petition from hundreds of individuals from my riding of York West.

The petitioners largely recognize that the drug abuse situation in metropolitan Toronto is unfortunately on the increase, ruining the futures of our young and the livelihoods of families.

They are asking that the Government of Canada amend the Narcotics Control Act where seizures coming from the assets of a drug offence or offender are immediately channelled into general revenues in the federal coffers in Ottawa.

The petitioners are asking that this be amended so that part of the moneys remain with our local police forces and local organizations that are clearly on the leading edge of battling this wave of drugs.

I hope that the Solicitor General will take stock of the countless people who are requesting that so we can win this battle in the name of our young, our families and our communities.

FINLAND

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, it is truly an honour for me today to present this petition on behalf of over 100,000 Canadians whose parents either came from Finland or were of Finnish origin.

Thunder Bay is extremely proud to have in the area I represent the greatest community of Finnish people in the world living outside of Finland. It is truly a momentous occasion as much as this is the year that Finland is celebrating 75 years of political independence and political freedom.

The petitioners that I represent here from Thunder Bay ask that the good relations and the continuing good spirit that exist between Canada and Finland continue to exist with spirit and freedom for the two great countries.

• (1550)

GOODS AND SERVICES TAX

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I rise under the provisions of Standing Order 36 to present a petition which reflects the ongoing fight by the New Democrats to scrap the very unfair GST.

These petitioners are primarily from the interior of British Columbia. They call upon the government to bring in an effective minimum tax on wealthy individuals and corporations and call for real progressive tax reform in Canada.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 221 will be answered today.

[*Text*]

Question No. 221—**Ms. Callbeck:**

How many federal public servants are there in Prince Edward Island and how many are in positions designated bilingual?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): As of December 1991, there were 1,970 active Public Service employees represented by Treasury Board in accordance with the Public Service Staff Relations Act, Schedule I, Part I, working in the province of Prince Edward Island. Of these, 441 employees occupied bilingual positions.

[*English*]

The Acting Speaker (Mr. Paproski): The question as enumerated by the parliamentary secretary has been answered.

Mr. Cooper: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): I wish to inform the House, pursuant to Standing Order 33(2)(b), that because of ministerial statements Government Orders will be extended by 32 minutes, unless the government whips can get together to defer or delete it.

GOVERNMENT ORDERS

[*English*]

FEDERAL–PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST–SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–60, an act to amend the Federal–Provincial Fiscal Arrangements and Federal Post–Secondary Education and Health Contributions Act, be read the second time and referred to the Standing Committee on Finance.

The Acting Speaker (Mr. Paproski): There were two minutes remaining on question and comments.

Mr. Gardiner: I rise on a point of order, Mr. Speaker. Perhaps you could check with the Table. I had written late last week to Mr. Speaker regarding an emergency debate in the House under the provisions of Standing Order 52 on the important issue of softwood lumber. I am wondering, Mr. Speaker, if you could check on that.

The Acting Speaker (Mr. Paproski): I do not have it in front of me. I will check on it and get back to the hon. member.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I just want to finish commenting on the last point that was put to me before Question Period.

For our viewers out there, we were talking about Bill C–60 to amend the fiscal arrangements between the national government and the provinces. Basically this bill makes sure that our equalization payments or transfers to the provinces are brought up to speed.

As I was saying before Question Period, the importance of this bill in maintaining our national will is obvious. As long as we as a national government are able to take money from those provinces that are doing exceedingly well and transfer it to provinces that are not doing so well so that national standards on education and health care can be maintained, I think our ability to function as a nation is going to be maintained.

The point I was trying to suggest to the government had to do with federal presence. I believe there should be some amendment to this bill that could be discussed when we are in committee. The amendment should somehow promote the federal presence in all the institutions supported by federal transfers. All schools in all provinces of the country should fly Canadian flags. All hospitals in all provinces should have Canadian flags. There should never ever be any question about the national anthem and where it should be played. It should be played in every part of this country. If a particular province were to refuse to fly the Canadian flag, if it were to refuse to play the national anthem, then quite frankly I think we should revisit this kind of an arrangement.

Mr. Cooper: Mr. Speaker, I rise on a point of order. I believe you will find unanimous consent for the following motion:

> That, notwithstanding any Standing Order or usual practice of this House, at ten o'clock a.m. on Tuesday, March 10, 1992, the Speaker shall call upon the President of the Queen's Privy Council for Canada and Minister of Constitutional Affairs to make a short statement on the recognition of Louis Riel; that the provisions of Standing Order 33(2) apply; that upon the completion of remarks by a member for each of the parties a motion regarding the recognition of Louis Riel shall be deemed moved and the question shall be deemed put and adopted without debate or amendment; and that immediately thereafter the House shall proceed to the daily routine of business proceedings.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Mr. Taylor: Mr. Speaker, before we agree I would just like to clarify something with the hon. parliamentary secretary.

The motion that was just read to the House calls for a motion to be deemed moved and the question deemed put and agreed to without debate or amendment after some speeches. In essence, we are being asked to approve a motion that is not before the House, that we have not seen.

I would like assurances from the parliamentary secretary that in fact the motion that will be put will be one that has been under discussion by the House leaders of the parties for the last couple of months.

Mr. Cooper: Mr. Speaker, I can give the hon. member the assurance that when I move a motion it is always based upon the negotiations and discussions we have had.

Motion agreed to.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, we are back at a subject that I would have thought this government would not want to be reminded of. We are talking about amendments to the Federal–Provincial Fiscal Arrangements and the Federal Post–Secondary Education and Health Contributions Act.

Why would the government not want to be reminded of those particular subjects? Anybody who has looked for a hospital bed for elective surgery in almost any part of this country could answer that question.

If there were no other irritants out there, no other reasons why the people of Canada are angry at this government and in particular at the Prime Minister, though not exclusively at the Prime Minister, they would be angry about this particular subject. If the Prime Minister, were to disappear from the scene tomorrow there would still be a lot of anger because the people over there have aided and abetted what he has done to social programs, to education cost, and to health care all over this country.

I was about to say that if the people of Canada had no other reasons to be angry they would be angry on this particular subject because almost every family out there has been adversely affected or, let us put it bluntly, has been kicked in the guts by this Prime Minister and this government. How do I mean kicked in the guts in terms of trying to get a bed for elective surgery? They have had to wait because of the cutbacks to the provinces.

Let me refer to my own little province of Newfoundland as an example of this government's cutbacks on account of health care and post–secondary education. I refer to the little province of Newfoundland, little in terms of population but much larger in terms of geography and resources and spirit of its people and all those things. In terms of population it is one of the smaller provinces of Canada with just a half million souls, some 560,000 people on the island and in Labrador.

• (1600)

That little province, in terms of population, will have lost $845 million by the year 1996. That is over the 10-year period from fiscal 1986-87 when this government began putting the blocks to health care and post-secondary education by rolling back payments to the provinces in respect of those accounts under the so-called EPF, the Established Programs Financing.

The member for Lachine—Lac-Saint-Louise says this is not true. I think what he is doing is contradicting the Department of Finance figures that tell me that in the 10 years fiscal 1986-87 to fiscal 1995-96 the savings in respect of the 1986 budget, the amount that will not be paid that would have been paid without the cut-back in the 1986 budget, will amount to $845 million.

He is playing with some figures. He realizes that because of the announcement the minister made in January, Newfoundland is going to receive a few shekels, that it will be down $845 million now because it would get $31 million of that as a result of this particular bill. He has in mind that we are not talking $845 million but we are talking something closer to the $800 million.

I want to say to my good friend, the member for Lachine—Lac-Saint-Louise, that if he were the administrator of the Grace Hospital, the great institution in St. John's, Newfoundland, or the Burgeo Hospital, or the Burin Peninsula Hospital at Salt Pond or the hospital in Port-aux-Basques, or the hospital in Stephenville, or if he were a member of the board sitting around the table trying to find the bucks, he would find there were fewer bucks as a result of the 1986 budget. I am talking about 1986, because this pillaging of health facilities has been going on by this government for five to six years.

Now, as we come just a little closer to accountability time when the bets are called in, when this government is going to be called to account, it is giving itself some legislation that can mean different things depending on what you want it to mean. For example, it could mean that the government might decide to get a bit generous during an election year. That would be a great surprise. The government might get generous, notwithstanding all the cut-backs of $800 million or so in respect of Newfoundland, and that is only one province. I could give other figures of nearly $200 million in respect to Prince Edward Island; $1.3 billion over the 10-year period in respect of Nova Scotia, and so on.

Mr.Layton: Out of whose pocket? Against which debt?

Mr. Simmons: The member has been there too long. He has got all the lines memorized. I am not sure he understands what they mean but he memorizes them well and he speaks them well.

Whose pocket? We know whose pocket: the pocket of the Canadian taxpayer, the same pocket out of which he and his buddies got the money to fly two cars down to Costa Rica, because there were no cars down there good enough to carry his buddy the Prime Minister. That is whose pocket we are talking about.

If he does not understand that particular example, if he does not recognize the incident I am talking about, I will remind him. His Prime Minister, the one and only boy from Baie Comeau, had to go to Costa Rica. There are no cars down there, you understand, good enough for him, so they flew two cars down. He knows this, does he?

Do not spoil my punch line. They flew two cars down.

Mr. Layton: It had nothing to do with the RCMP and its security.

Mr. Simmons: No, it had nothing to do with anything. It had to do with taxpayers. A minute ago, the member wanted me to talk about taxpayers. His question was whose pocket? I am answering: the Canadian taxpayers' pocket, the same taxpayers' pocket that paid for two cars to be flown down. I know the official line. He has got the official line: "Security. Security. Security".

They flew the two cars down. These guys are looking after security. They are not just the ordinary taxpayers out there spending money right, left and centre. They know what they are up to. They get the cars down there as fast as they can. They are bullet proof cars—proper vehicles. They were so bright, those Keystone Kops, those spenders of taxpayers' money that could have been used under Established Programs Financing.

These Keystone Kops forgot to check one little tiny detail, just one detail—do not be too hard on them. They could not find any unleaded gas down there. They could not find any unleaded gas so the cars never got used.

They were paid for and my friend's question again is who paid for them? The Canadian taxpayer paid for them.

Mr. Brewin: How do you like the $20 million on competitive as Canada promotion? Is that a good one?

Mr. Simmons: I have friends in all parties who write speeches for me even as I talk, like my friend from Victoria in the wrong party but with a good idea, and I congratulate him. It gives me another marvellous example of how this government knows how not to spend money.

I digress and I do not want to try the patience of my good friend, the Speaker, too much. I was making the point that the people of my province, like the people of every other province, are being short changed very badly in terms of their access to health care. I made that point. I wanted to go on and give the other example of their access to post-secondary education.

I am sure you were all thrilled last week when you heard that budget. If ever there was a candy-coated budget, it was last week's. You can candy coat different kinds of things. People have been known to candy coat arsenic. You can candy coat anything you want. That does not change the flavour or the effect of what is under the candy. It was a candy-coated budget and for students at Canadian universities, once they got past the candy part, here is what they found.

The government had tampered further with post-secondary education. The government heretofore under the Canada Student Loan Program had allowed a six month period of grace, six months after the student finishes university, during which there is an interest holiday. There is no interest charged on the loan. They have to pay the loan, but they did not have to pay interest on that loan in respect to the first six months after the student finished university.

The Acting Speaker (Mr. Paproski): Will the hon. member allow the Speaker to make a ruling and then carry on with his speech? The hon. Speaker has a ruling to make for the member for Prince George—Bulkley Valley and then I will get back to the hon. member.

Mr. Speaker: I say, first of all, to the hon. member for Burin—St. George's that I appreciate very much his courtesy and the courtesy extended to me by the other members of the House.

To the hon. member, I will hear the argument.

* * *

MOTION TO ADJOURN UNDER S. O. 52

SOFTWOOD LUMBER INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I appreciate your brief time today to consider what I think is an important issue and to rise under Standing Order 52. It relates to the matters raised in the House today by members from all sides of the House. It relates to the decision on Friday that precipitated a decision from the commerce department in the United States regarding the very important debate over softwood lumber and our exports to the United States.

• (1610)

We have had a number of negative decisions on trade policy from Washington, D.C. They are certainly impairing our country's ability to trade with the United States. This decision in particular on softwood lumber tariff will have an impact on well over 300 forest communities throughout Canada.

It is a very important issue. It falls under the provisions of Standing Order 52 because of its importance. The dollar value alone relates to this issue, given the vast amount of lumber exports into the United States and the number of communities across Canada that are affected by this.

It is an important debate that this House must have, and I would certainly be prepared to assist in any arrangements that might allow for that debate so that all Canadians can know what the members of this House feel about this most important issue.

SPEAKER'S RULING

Mr. Speaker: First of all I thank the hon. member for Prince George—Bulkley Valley for giving me notice in advance.

I should say that a number of members raised the matter today and there was a considerable exchange at Question Period on this very important matter.

I would say to the hon. member for Prince George—Bulkley Valley that while I am not disposed to move this afternoon on it, I will be watching the matter very closely. It may well be that hon. members will want to seek the Chair's advice and guidance tomorrow or the next day.

GOVERNMENT ORDERS

[*English*]

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

MEASURE TO AMEND

The House resumed consideration of motion of Mr. Mazankowski that Bill C-60, an act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, be read the second time and referred to the Standing Committee on Finance.

The Acting Speaker (Mr. Paproski): The hon. member for Burin—St. George's had five minutes remaining in his debate, and because of his indulgence I will give him another 30 seconds.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, my good friend who has made a welcome appearance in the House from the good riding of Delta says that I forgot where I was.

I was explaining to his colleagues that in the latest budget, the whole question of Canada student loans was a bit candy coated. Underneath the candy, there were a couple of very stark realities. He will know them.

As a matter of fact, if he wants a little of my time, he might want to tell the House whether he explained those couple of wrinkles to his constituents in Delta.

First, until now the students at Canadian universities who had loans, once they came they had six months before the interest began to accumulate. With this budget, it accumulates the day they stop studying. Therefore, they pay another six months of interest. Did he explain that to his constituents?

Second, did he explain to them that the government wants to privatize student loans? Did he explain the reason? Did he explain that the reason the government wants to private student loans is that it wants the banks to do its dirty work for it? It wants the private banks to hustle those students who, through no fault of their own, do not have jobs or income.

That is what it is all about. That is what is underneath the candy in that particular budget when it comes to student loans. This government's record in so far as post-secondary education and health care are concerned is absolutely abysmal. It is absolutely shocking. How it can now even have the face to bring another piece of legislation before this House, one wonders.

As the fishermen off the east coast of Canada are finding out, you cannot rely on this government in the crunch. You just cannot rely on this government. As the stores near the border are finding out, you cannot rely on this government in the crunch. The farmers are finding that you cannot rely on this government in the crunch. You just cannot rely on it.

A lot of people took the government's word on the free trade issue, and we see the sad results of that these days. We took their word on so many things. I heard the Prime Minister today and I would dearly like to take his word when he talks about foreign overfishing.

Mr. Worthy: We can't believe your word when you talk. That's extreme talk.

Mr. Simmons: The member from Chilcotin today talks about a Damascus road experience, talks about somebody seeing the light, in the last hour or two hours ago was up on his feet actually blasting who? The Americans.

I remember a time not so long ago when he was chairing a meeting of Canadian-American parliamentarians. He almost suppressed the subject that he addressed today. He would hardly let it be discussed, it was so foolish a subject. He did not see the need for it. He sees the need today. He had to get up and make a speech today to help save his hide back home, on the very issue that he tried to shove under the table not so very long ago.

Mr. Worthy: You're despicable in your politics.

Mr. Simmons: The member knows the meeting I am talking about. Now he says I am despicable.

The Acting Speaker (Mr. Paproski): Order, please. The hon. member has the floor. I cannot really hear him because there is too much action going across the floor. I would like to hear the hon. member's speech. The hon. member for Burin—St. George's has the floor.

Mr. Simmons: Mr. Speaker, I did not want to upset my friend from Chilcotin. The truth does hurt. In case somebody did not understand the import of what I said, some months ago he was chairing a meeting and the subject—

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Carleton—Charlotte.

Mr. Thompson: Mr. Speaker, the member is clearly off the topic. We are debating Bill C-60. He does this quite frequently. We want to hear what he has to say in regard to Bill C-60 and we can debate that point. I think he has transcended the bounds of this debate.

The Acting Speaker (Mr. Paproski): I think the hon. member knows relevancy and I know that he is coming right to the point. The hon. member for Burin—St. George's.

Mr. Simmons: Mr. Speaker, the gentleman from Chilcotin had asked me a question about whether my assessment on Bill C-60 could be trusted. I think these were his words. I wanted to illustrate my meaning to him by using a parallel example. I gave him an example that he was in the middle of, that on one occasion he chaired a meeting about a subject. Today he spoke on the subject. He has taken two opposite views on the issue. I thought I would put it back to him the saying about people who live in glass houses, Mr. Speaker. If trust is what he wants debated on the floor of the House this afternoon, we can give him some examples about who ought to be trusted on Bill C-60 or on any other subject.

I say to the gentleman from Carleton—Charlotte, these are my views on Bill C-60, my views on trust, my views on why we cannot trust this government on post-secondary education, on the fisheries jurisdiction, on the trade issue or on any other issue. Why does the government want us now to trust it on Bill C-60? I do not trust the government on this issue. I see more health care going down the drain. I see more post-secondary education going down the drain. I see some not well-off students being able to less afford post-secondary education as a result of the latest move by this government.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, in response to the member for Burin—St. George's, politicians are often accused of being actors, sometimes good actors and others bad. This was an example of acting at its very best. The trouble is the hon. member got his figures wrong, as he always does. He wants to suggest and to use only the figures that he wants to use. The truth is that most of what he is saying is totally erroneous.

I guess if we want to go beyond calling the member an actor, I might suggest that he is a magician. He is confused in his role as a magician as well because usually a magician makes more with less, but he is taking more and turning it into less.

• (1620)

Since this government was elected there has been more money transferred to his province than in any other time in the history of this country. He knows that for a fact.

I want to step through some of those numbers. The annual rate of growth in major transfers to Newfoundland has been 5.5 per cent since 1984-85. He cannot dispute that because it is happening. This year the direct transfers to his province will exceed $1.4 billion. Do you know what that accounts for? It accounts for about 44 per cent of Newfoundland's total revenue, coming from the Government of Canada, from other taxpayers, to the Government of Newfoundland.

I do not think the member can argue convincingly on that number at all. I think he is going to have to get into some of those little magic numbers that he himself comes up with. Where he comes up with them I will never know. But again, he is very convincing in his delivery, there is no question about that. We do not question his delivery as a speaker but we do question the numbers he uses. Also, if we are looking at transfers to his province, they amount to about $2,400 per individual.

When we are talking about transfers at this level, government to government, it really does not measure the other support programs that go into his province, through the UIC act for example. If you measure that in total the figure goes far beyond $2,400. They tell me that on transfers to individual citizens directly from the Government of Canada, the figure is more in the $4,500 to $5,500 range. So that, coupled with transfers from the federal government to the provincial government to allow it to do the types of things it does in the delivery of services, there has been no government in the history of

this country that has done more for the province of Newfoundland than this government.

Those are the figures that he has to use when he stands on his feet. I think this maze of figures that he steps through and the confusing way in which he delivers them is not portraying an accurate picture at all.

Mr. Simmons: Mr. Speaker, I used to be a teacher before I became an actor and I thank the gentleman. I say to the gentleman from Carleton—Charlotte that we learned to tailor the message to the audience so I will try it one more time for that particular audience. I will make it very simple.

What I said, and I apologize to him if it was confusing, was that in the 10-year period from fiscal 1986-87 to 1995-96, Newfoundland will be down by $845 million in payments for EPF, lower than it would have been if the government had not changed the act with the 1986 budget. That is what I said.

I then amended that with the $31 million that the government is putting back in this year. I later said that it is now of the order of $800 million or $820 million or something like that. I am sure he can do that bit of subtraction.

Now he says that the transfer payments represent 44 per cent of the budget. He is absolutely right on that. What he did not say is that it is down from 48 per cent. Before this government became involved it was 48 per cent of the provincial budget.

Per cents aside, you heard the key phrase: Newfoundland is getting from other taxpayers. Now let us listen to that phrase. Is the member telling us that the taxpayers in Newfoundland do not pay federal income taxes and all the other taxes? Does he not know that the Government of Canada pot is in respect of all the taxpayers in Canada and some of that 44 per cent is out of the pockets of Newfoundlanders? Of course it is. This suggestion that somehow the other nine are keeping us on pogey all the time, I resent that. It is the old welfare argument that says take it but be quiet about it.

Why are many of my fellow countrymen in Newfoundland on UI these days? Why are they out there? Because the government of which this member is a supporter has allowed the Spanish and the Portuguese to pillage the stocks. The overfishing started in the first fishing season after this government took office. There was no overfishing up to and including 1984. None, not one fish. Starting in 1985 the European Community took eight times their quota. In 1986 it took 12 times their quota.

The French had not overfished until 1984. In 1985 they took three times their quota, in 1986 they took three times their quota and the pillaging has gone on and not a peep, not a word from that crowd over there. Why are thousands of my fishermen in Burin—St. George's drawing UI? Because they cannot fish. Why? Because they are lazy? No, because that man over there and his clique have allowed the Spanish and Portuguese to pillage our way of life and our fish stocks. Therefore, they have to stay home, sit on the wharf instead of going out to fish, which is what they would like to do.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I listened with considerable interest to what I thought was a report of the critic on the Liberal member's acting ability.

I was impressed with the hon. Conservative member's ability to extend for almost infinite time so little in a question. He must have taken lessons from the Prime Minister.

My question to the hon. member is simply this. Sometimes we talk about the impact of cutbacks on EPF and other transfer payments somewhat in the abstract. The hon. member has done a very good job of giving some concrete images to the policies of this government and how they have affected the fishers of Newfoundland.

I would be interested in having some specificity lent to the impact on post-secondary education in Newfoundland as a result of the cutbacks in the Established Programs Financing that this government has perpetrated since it came into office. Perhaps the hon. member could extend that to cover the whole of the $11 billion that have been cut since 1982-83.

Mr. Simmons: I thank my friend from Windsor—St. Clair for the question about post-secondary education. I was just beginning to get into the mood of that subject when unfortunately my time ran out.

One of the amazing things about Newfoundland over the last two, three or four decades is the numbers of people as a percentage of total population and in absolute numbers that went to university. I remember when I went to Memorial University, the one university in Newfoundland, there were about 1,100 students there.

Now the total enrolment I would think is of the order of 12,000 or 13,000 plus, and many others in evening and part-time studies. Many thousands of people go to that university and get undergraduate degrees, graduate degrees, doctorate degrees in many disciplines.

Many of those people came from humble origins. By humble I mean economically not terribly prosperous. But they were able to go to university and get their education because of a number of programs, including the Canada Student Loan Program. They had come to rely on it as a stepping stone. If you check the rate of payback of Canada student loans in Newfoundland as opposed to other parts of Canada, you will find that there is no high delinquency rate. They are good payers of loans once they get the income with which to pay those loans.

The point I make in response to my friend from Windsor—St. Clair is that in the area of post-secondary education, nowhere is the curse of this government more apparent, more in evidence than it is in the way it has stunted opportunities for university education in Newfoundland.

Only this past weekend I was with a couple of people, would-be students, who told me that they are not able to go to university. One of the reasons they are not able is because this government, for all its tampering with Canada student loans, has not raised the floor. My friend from the Magdalen Islands will know this. It has not raised the base amount that a student may apply for since 1984.

• (1630)

Inflation in those eight years alone has done things to his students, his constituents. Why is he not lobbying for them? Why does he not beat some sense into the Prime Minister and tell him that eight years of inflation have eroded the buying power of those students who would like to go to university, but they have to do their borrowing on the basis of 1984 figures. That is shameful. He knows that and I am sure he will want to talk about it and dissociate himself from it when he gets up to speak.

Mr. Howard McCurdy (Windsor—St. Clair): As a previous speaker indicated, it must be of some embarrassment to the members on the other side that in Bill C-60 they have produced another opportunity to talk about what this government has done with respect to transfer payments to the provinces, in particular, those payments that go to the provinces for the benefit of post-secondary education and medicare.

Basically, the bill could be described in some respects as housekeeping. It deals with the fact that it is now necessary to extend the present fiscal arrangements with respect to established programs funding, more specifically to provide for changes in the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act so that the present legislation will apply to 1994.

It will also provide for administrative arrangements that would allow the provincial governments to collect taxes on behalf of the federal government and for the federal government to collect taxes on behalf of the provincial governments and make provisions for taxpayers who have paid through one or the other to have those payments taken into account by those respective governments.

It also would provide that this present ceiling on the EPF payments would be based on the 1992-1993 fiscal year rather than the 1987-88 fiscal year.

Now, of course, one of the elements of this bill that may pass unnoticed is the fact that it is necessary to extend the present transfer payments for post-secondary education and health because of the fact that the government has failed to negotiate new arrangements under EPF.

This was something that was supposed to have been completed last year. It is an issue that has been the subject of debate in this House on numerous occasions since 1984. You will know, Mr. Speaker, that there was considerable concern about the erosion of contributions to the provinces as well as some concern about the relative responsibilities of the provincial governments and the federal government with respect to post-secondary education.

The issue is not drawn so sharply with respect to medicare, but we will come to that later.

The fact of the matter is there was a problem out there that we should identify with respect to the responsibility of the provinces. That is, there was concern that the provinces were not making their due contribution. We asked over and over again that there be, first of all, a real negotiation of EPF to provide for stipulated transfer payments for post-secondary education and that there

would be an identified contribution from the provincial level and that the level of contributions to post-secondary education would not continue to erode as it has been doing since the beginning of this decade.

I want to make clear that erosion is one that did not begin with this government. In fact it began with the changes made in the legislation by the previous government beginning in 1977. Most notably were the 6 and 5 cutbacks in 1982 and 1983 which cost a considerable amount of money to the system.

Looking at the $9 billion it was costing the system by the changes made by the present government and adding to that the $2 billion which was taken away from EPF in cutbacks by the Liberal government, there has been a net decrease of some $11 billion in the expected contributions for post-secondary education that we should have expected from this government. This has to be looked at in the context of what the government has identified as its prosperity agenda.

Mr. Speaker, I know that you will recall because I know you were as enthusiastic about that announcement then as you are now, that the federal government had promised that it would quadruple the number of trainees that were produced in this country so that at least we would meet the level of training in industry that is achieved in the United States, which falls considerably short of the levels achieved in Europe and more specifically in Germany.

It announced the rather ambitious goal of doubling the number of scientists, engineers and mathematicians. It promised that it would eliminate the 20 per cent functional illiteracy rate that we have in this country. It said, and we lauded this recommendation, that we would achieve a 90 per cent graduation rate from high schools.

Looking at this present budget and looking at this legislation we see and have seen that it is a continuation of a policy which has been completely contradictory to its promises.

We were ready to forgive this government for its failures up until the 1992-93 fiscal year if it had shown the slightest evidence that it was going to truly commit itself to those educational and training elements that were the bedrock we were told, or at least it was suggested to us, of the government's prosperity agenda.

New Democrats have considerable problems with some of the right-wing ideological pap that goes into the federal government's prosperity agenda. But we do understand that if we are going to have a value-added economy of the sort that is going to permit Canadians to go to work and which will create wealth, that wealth will only be generated on the basis that we create opportunities for all of our citizens through training and education, through the development of skills.

When we get right down to it, if any wealth is going to be created, it is created from the minds and the creativity and the capacity for innovation that Canadians have in great abundance if they are given the opportunity to do this.

Whether we are looking at EPF or whether we are looking at the over-all training budget, the government has cut $200 million from the training program under the Canadian Jobs Strategy. We have to understand that that relates to young people who are not working and who are largely not working because they do not have the skills to work.

It purports to be a government that understands the significance of training and education. Since it has been in office there has been a sharp erosion of the over-all expenditures by this government for training and education.

We find that there has been a decrease. The figures are right here. Since 1986-87 until 1991 the over-all increase in the cost of living has been 25.5 per cent, but we find that for education and training over-all government contributions have only risen 6.5 per cent. That is scandalous on the face of it.

• (1640)

What is more important is that it is tragic in its very fundamentals in what it is doing to our nation in its capacity to create the wealth that will allow our citizens to prosper.

This government has the notion that you have to somehow have the wealth and then you will have adequate social programs, when in fact if you do not have adequate social programs, you have not a chance in this world of creating wealth. The key social program in that context obviously is training and education.

The enrolment in post-secondary education in this country has risen 43 per cent, and I just mentioned that the expenditures on training and education have risen about 6.7 per cent.

It is a strange thing to look at the front page of *The Globe and Mail* and get this, it reads "Education Only For the Wealthy". Reading *The Globe and Mail* it might be thought to be positive advertisement. But even *The Globe and Mail* had to be concerned about what is happening to our post-secondary institutions. They are in dreadful shape.

I wish that my Liberal colleague from Newfoundland had pointed out that they have laid off in the major institution not tens but hundreds of staff. In some universities in this country tuition has risen up to 250 per cent.

To give some specificity to this, let me look at some other figures that I think I have available to me on my desk. In 1980-81, in Newfoundland, which is an appropriate example, tuition fees amounted to 10.2 per cent of general operating income at Memorial University. By 1988-89, and that does not include the budget years 1990-91, 1991-92, or 1992-1993, already by 1989 the portion cut of operating income at Memorial University met by tuition fees was 13 per cent. By God, it must be on its way to 16, 17, 18 per cent, perhaps 20 per cent. I am sure if I had the figures before me that is what I would find.

In Nova Scotia it has risen from 14.7 to 21.6 per cent and in Ontario from 16.9 to 20.4 per cent. In Ontario a New Democratic government for heaven's sake has had to increase tuition because this government has deprived Ontario to an extent even greater than other provinces of the transfer of payments for post-secondary education and medicare.

Oh yes, it brings in a bill and does a little bit of housekeeping. But people understand that this is just part of a continuing action by this government with its hypocritical stance with respect to training and education. It continues to do one thing and say quite another.

Of course we are talking about medicare and we are talking about Established Programs Financing. I do not have to elaborate on what is happening to medicare in this country. Here we have in our nation the exemplary example of what a nation should provide for its citizens with respect to health, with respect to accessibility, universality and affordability.

And it is because of this government that provinces such as Quebec, New Brunswick and Alberta are talking about user fees for medicare, talking about a system of two-tiered health in which the rich will be healthy because they can afford it and the poor will be increasingly unhealthy, mimicking the situation in the United States. There, only the rich can go into a hospital waiting room with impunity and hope to get a bed because they can afford it. Then one of, I suppose, the least controversial elements in this bill really does provide for the harmonization of the GST and the provincial sales tax. I do not want to engage at this stage of the game, because I have so little time to do so, in an appropriate criticism of the GST. The GST replaced the MST, the manufacturers' sales tax, which was described as a silent killer of jobs. One advantage of the GST is that it kills jobs and everybody knows it.

It kills jobs and everybody knows it. I hear a Conservative member over there quietly saying: "Ah ha".

An hon. member: Nonsense.

Mr. McCurdy: Let me tell you, I hope that my province will not succumb to a transparent blackmail being perpetrated by this government to force my province to integrate its sales tax with this abominable federal sales tax which is killing jobs in Windsor at a rate that is absolutely scandalous.

There is no reason why this government could not have attacked the issue of cross-border shopping, which is a serious problem, in a creative way rather than trying to use a bludgeon of cross-border shopping to force the provinces to fit into this tax which has been the offspring of an ideology which has not been in the interests of this country and an ideology that will die a mortal death.

It will certainly die a death in the next election and will turn back the clock to a time in which Canadians could be confident that they had a government that had a commitment to fairness and social justice as this government does not.

Let us have this little housekeeping bill, but let us keep in mind that what this bill does is make it a little bit

easier for this government to perpetrate another sin on a long record of sins against the Canadian people.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I would like to commend my colleague for a very fine speech and a most astute analysis of the situation in which the country finds itself.

I know that time is limited and one does not always hit every subject one might like. Something I would have liked to have heard the hon. member speak about is the matter of the killing of some of the committees, the Economic Council of Canada in the last budget, and I know something that was very near and dear to his heart and also right in line with education, and that is the Science Council of Canada.

Mr. McCurdy: Mr. Speaker, actually I understand the death of the Science Council. The Science Council was like a rabid dog biting at the ankles of this government and it had to be killed. The Science Council was an institution that had the capacity, the wherewithal, the knowledge and the research capacity to be objectively critical of this government and non-partisanly critical of this government and it was critical of this government.

As you know, the Science Council was about to do a number of studies. It would have demonstrated the inadequacy of this government's commitment to science, to training and to education.

The Economic Council did not criticize the government too much, but the government got the notion that it might and so it had to be killed too.

Also there is the Race Relations Foundation. That is the most peculiar one of all because it was killed along with the Court Challenges Program. This was done at a time when many people in this country are increasingly concerned about the rise of xenophobia and racism among those people who are looking for scapegoats that can be blamed for the actions of this government as they fear for their very livelihoods, their homes, their jobs and their capacity to raise their families.

• (1650)

One does not have to be a deeply suspicious person, but when I find out that representatives of this Conservative government that killed the Race Relations Institute, that killed the Court Challenges Program was also the same government, the same party that refused in the constitutional report to support a commitment to equality for racial and ethnic minorities and with the collusion of the Liberals have seen that one-third of the population is not even included in a constitutional round that was supposed to be a people's round. Oh yes, there are some dear things in the budget that have been sacrificed.

With respect to the Science Council and the Economic Council and the foundation, if you add up that long list of cutbacks of various institutions that this government severed from the public area, it all adds up to $23 million. It spent that much sending people all across this country to speak to 30 or 40 people about this prosperity agenda that has been the subject of so much appropriate ridicule.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, this particular bill also has a section in it which deals with taxation matters. They are apparently designed to facilitate the collection of taxes by both federal and provincial governments.

I would like to ask the hon. member if he believes that it contains also certain elements that would facilitate the harmonization of the GST and the provincial sales tax? In view of the fact that many of these particular points were discussed during the meeting that was held with the provincial premiers, would he be aware whether Mr. Rae is deciding on whether to harmonize the GST with the PST in Ontario?

Mr. McCurdy: Mr. Speaker, you will know that I did address the issue. I guess the member's question is: will the Premier of Ontario be forced to succumb to blackmail? It really comes down to something that simple. It is a question of whether it will be possible to negotiate a reasonable arrangement with the federal government for the collection of two different taxes, the GST and the PST, the provincial sales tax, without being forced into harmonization.

That question is something like: "If I am shot, will I fall down"? Specifically, in Mr. Rae's shoes I do not stand. But I hope that if they shoot him with the GST he will not fall down.

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I listened with great interest to the former speakers as we discuss the equalization program. I must confess that from the opposition benches, I guess

if I did understand one word, "harmony" does not belong in their vocabulary.

To set the record straight, perhaps I could read how equalization works.

> Equalization payments are determined on the basis of a formula set out in federal legislation. First, the amount of revenue that each province could raise from a typical tax base, taking into account virtually all provincial and local potential sources of revenue from taxation is calculated.
>
> Second, each province's overall per capita capacity to raise revenues from these sources is compared to that of five provinces making up a *representative* standard. This standard is currently equal to about $4,700 per capita.

I will not go any further. I listened with interest as my hon. colleague from Newfoundland made reference to the Magdalen Islands and the students from the Magdalen Islands. To be in opposition is one thing but to be realistic is another.

Of course, when we talk about our students, whether they come from Newfoundland or from the Magdalen Islands or the Gaspésie—

[*Translation*]

—or anywhere in Canada, Mr. Speaker, this is important, as the Prime Minister said so before in this House, because the taxpayers are always the same. Whether we are talking about municipal, provincial or federal taxes, the same person pays all three.

[*English*]

We must take that into consideration when we discuss and look at what has been proposed from now until March 31, 1994, as mentioned in the budget of the Minister of Finance.

Hollering from the opposite side, they say we have cut back. That is not true. We are jumping from 5.9 per cent in 1984–85 to 7.8 per cent in equalization payments. Being a former teacher of mathematics that represents an increase.

Equalization in 1984–85 was roughly $5.422 billion. These figures are available to all concerned. The figure proposed for 1992–93 is $8.56 billion. Which brings us to the point, has this government done enough? Of course, it is very difficult when you deal with personal and public finances. In order to spend and spend and spend with no limits, someone must take the heat.

At the same time, we talk about equalization payments, harmony, the GST and provincial sales tax. As members are aware, we are in the process now of building a unified Canada and a Constitution that will make us stronger, not weaker. We talk about have-nots and haves. My friend from Newfoundland stated earlier that we are all part of this great country because the have-nots can benefit from the haves which has been the case in the past. I hope with all due sincerity this will continue in the future.

We talk about spending dollars and the same taxpayers' dollars but we must face reality, not only when we talk about equalization payments but when we talk about every ministership in our honourable cabinet. Whether it is us as the government of the day or another government, we cannot spend frivolously. We cannot over-borrow.

Far be it for me to take the part of the opposition. If the Official Opposition had been in government perhaps our annual deficit today would be in excess of $100 billion with all the things they suggest we do.

But the taxpayer would be outraged. They would not like that. These things are very difficult. It is very easy for the people of Newfoundland, for the people from British Columbia or for the people from my constituency to criticize. We were elected in 1984 and again in 1988 to put some kind of sense into the spending of this government. It has not been easy.

I say that $5.4 billion to $8.5 billion is not a loss, it is an increase. Members opposite fail to mention at the same time that our inflation rate has dropped to approximately 1.6 per cent. We were criticized for our policies but that fiscal policy has benefited the provinces.

My colleague from Ontario mentioned that Mr. Rae will not bend down to harmonize—and far be it from us in the debate on this bill to get too involved in the Constitution and Canadian harmony—but I would say that when we harmonize, when we talk about the better spending of our taxpayers' dollars, be it municipal, be it provincial or be it federal, there can only be one winner and that is the taxpayer. The final winner is our great country of Canada.

• (1700)

They talk about how devastated they are. We are devastated because we cannot afford to spend any more money. We are looking forward to the day when we have our finances in order and we can go back to the university students and the provinces, regardless of whether they have a social agenda in which they want to make everybody equal. We want to put all Canadians to work. It is the wish, the desire, the aim, and the goal of

this government. That is our aim from this side of the floor and that will continue to be the fact.

In any provincial political agenda it may be the wish to say: "Take more from Ottawa, give it to the provinces, and let us look after it". This is why we have the two years till March 31, 1994 when our provincial ministers of finance, our Prime Minister of Canada and our premiers of the provinces can get together and look at the tax base and at all money spent being spent wisely and for the benefit of all Canadians, including those who pay their taxes.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise on behalf of our caucus and constituents from York West to speak to Bill C–60. It talks about the equalization and transfer payments to the provinces, which essentially help them to look after their jurisdictions under the Constitution of our country on behalf of that same single taxpayer.

The debate today specifically touched on the whole question of transfer payments as they relate to education, post–secondary education and training. I think it would be highly valuable not only to look at Bill C–60 from a narrow perspective. We should in fact take a look at what the general government track record has been in terms of keeping up with its payments to the provinces.

If we look back a number of years, certainly last year with the introduction of the GST, inflation was not at 2 per cent, not at 3 per cent, not at 4 per cent, but was upward of 5 per cent. The transfer payments were much less than the growth of both the GNP and the rate of inflation. That was the case for a number of years consecutively.

The Prime Minister, the Minister of Industry, Science and Technology, and the Minister for International Trade talk about making Canadians and Canada competitive again and about a prosperity agenda. They talk about ridding our country of illiteracy. They talk about keeping Canada apace with a world that is certainly moving quickly and does not owe us a free lunch or dinner or breakfast.

What does that mean? It means that there is a gulf of difference between the rhetoric and the words put on paper that our Prime Minister tries to inspire the country with at whatever stop or before whatever audience. It means that there is a gulf of difference between that and the substance or the fact that when it comes time to pay and give over transfer payments for post–secondary education it is not there.

We are unlike certain parts of western Europe where there is an equilibrium between the number of applicants applying for post–secondary education, largely university, and the number of people accepted. In large measure they are equal because a greater pool of Europeans go through college and through training apprenticeship programs for electricians and tool and die makers than in this country.

We have talked today about Canadians not being able to afford to go to university. The fact or the reality is that the universities and post–secondary institutions of our country cannot even afford to have the spaces. Never mind if people can afford it; they do not have the spaces to come close to responding to the demand of young people wishing to enter university. That is related directly to the budgets of those universities for expansion, for facility space, and for professors. That is also related in practical measure to the debate we are now having on the floor of the House of Commons.

We are saying quite simply that if the Government of Canada wishes to equip its young with an education to meet not only their aspirations but the aspirations of a country, if we are to train individual Canadians both young and old, those whose employment was terminated at age 50 because a plant closed, moved to Buffalo or it costs a peso to construct widgets in Mexico and ship them back for the same kind of profit, if it means that we are going to give those people a place to stand, then it means that the Government of Canada will have to match its words with dollars.

Unfortunately the dollars have not matched the flowery images of the rhetoric. A few minutes ago a member on the government side asked if Bill C–60 enables Canadians to trust this government with fiscal arrangements. I say no. We are two weeks after the presentation of a federal budget and I am asking if Canadians trust this government more to take care of and look after their interests on a fiscal budgetary playing field.

We had headlines in yesterday's papers, for instance, that seven out of ten Canadians, according to an inside Canada research study, not only said no to this Prime Minister, but seven out of ten Canadians said never again to this Prime Minister. That is the essence of the trustability.

If we look at the federal budget, how do we measure whether Canadians give a passing grade or whether Canadians have a sense of confidence or trust in this government? One measurement is if a unemployed person tuned in at 4.30 p.m. on February 25, that Tuesday afternoon, and got any more trust or hope from that budget in terms of putting him or her back to work. The answer was clearly no, because there was no stimulus aside from allowing RRSP contributions to be utilized in portion toward the purchase of homes. Aside from that measure there was no stimulus, no program, no concerted effort, no sensitivity, no recognition, no admission that 1.5 million fellow Canadian citizens do not have a place to go when the alarm clock wakes them up to start a brand new day. Clearly one measurement is if there was at least naive hope that somehow the Minister of Finance was going to give a sense of optimism to both the unemployed and the general economy. It was not to be, and this was from a government that promised jobs, jobs, jobs, a government that said that the free trade agreement was going to ensure prosperity.

Do we remember the letters during the 1988 campaign from chief executive officers across the country warning their workers that if we do not sign on their places of work would be in jeopardy? Those are the same jobs that are indeed in jeopardy, the same jobs that Canadians have lost.

Where are the transitional programs? Remember when we had a campaign on that. This Prime Minister responded to our leader of the time by saying that we will have the greatest transitional programs that the western world will have ever initiated.

Mr. Harb: Where is it?

• (1710)

Mr. Marchi: My colleague from Ottawa Centre asks: "Where is it?" Canadians are asking themselves: "Where is it?"

They cannot have it both ways. They cannot propel the country into a free trade agreement where more of our sectors are hurting, where more of our people are getting belted, and then at the same time not even help with the realistic measures of transitional programs. It means they do not care about Canadians. It means they are not willing to take some of those moneys, $30 billion a year, that we pay for unemployed Canadians and for people on welfare. We tell Canadians we are going to pay them an average of $12,000 to collect unemployment. Then when these persons are finished unemployment benefits, they go to the government again and the government says: "Now we are going to pay you another $14,000 a year; go collect welfare".

Thirty billion dollars a year, is that a good expenditure to invest in human dignity and in productivity? Are we to accept that this government is always going to hide behind this thing called the debt. No one in this House is irresponsible. We all want to pay our way. We all carry debts. I mean I carry a debt. It is called a mortgage. The bank owns more of my house than I do. That does not preclude me within reason from making other sorts of expenditures either for need or for lifestyle.

In the same way, while the government has responsibilities to maintain and manage this debt situation, it also has to balance the human need of people who are not working, who are not living in dignity, with at the same time an expenditure of $30 billion. It would have paid to have used portions of that $30 billion expenditure to put Canadians back to work. However, as soon as we say this we are tagged as being irresponsible free loaders, money spenders and the like when in fact by putting Canadians back to work we would be giving them back their legitimate dignity. They would be working. They would be productive. They would be paying taxes. They would have a weekly income that supersedes what they were getting from welfare and unemployment. It would allow them to make a few purchases of commodities. Perhaps it would encourage the economy back on its feet again and the cycle would kick back and reduce that $30 billion a year payment for people to sit at home and watch soap operas. That is one of the measurements of a budget.

A member from the other side asked: "Why not trust this government?" It is two weeks after the federal budget was presented and unemployed Canadians are saying: "I still don't trust you".

What about taxation? Bill C–60 provides a general comprehensive framework between the federal and provincial governments with all sorts of taxation. This government, this Prime Minister and this Minister of Finance prided themselves in saying: "We have given you this year through the budget a tax break".

The Leader of the Official Opposition and the member from Windsor who is our finance critic analysed that and concluded that for a family earning on average between $15,000 and $20,000 the net reduction is $2 a year; for a family $30,000 to $35,000, a net reduction of $15. Do you know what Canadians are saying, Mr. Speaker? Canadians are saying: "Thank you very much, Mr. Government, but keep your $15".

It is just like the senior citizens whose pensions were increased by 75 cents a month. I have had senior citizens who have put 75 cents in an envelope postage–free, sent it to my office, and said: "Give it back to the government because we don't need 75 cents. If it is that poor it can keep it".

This is from a government that expects applause for a $15 reduction after 33 new tax increases since 1984 and is the architect of the GST. Even if we give the entire benefit of a doubt that the GST is a good tax, the timing could not have been worse. We have a government that is causing tax strangulation. There are people in all of our ridings, and we know this, who come to see us on Saturday mornings. They tell us that with a municipal tax on property that is going through the roof, particularly if you are a senior citizen on fixed income, the provincial, the federal, the GST, at the end of the month they get a feeling they are working more for the government than they are for themselves. At the end of the month, they are not putting anything away. At the end of the month, they cannot even meet the expenses incurred during that month.

We have people coming to all of our offices and showing us their expenses. At least, they showed some of their expenses to me. They say: "What do you suggest?" You try to help a senior citizen. Do you know what the answer from the federal government is? "Well, if you cannot afford your house, sell it." That is what it is telling them.

We have senior citizens in my riding and in ridings of my colleagues who have worked for their castle for years and years and years, Canadians of all walks of life, new Canadians, old Canadians, Canadian born and immigrants who take pride in having built that home. A senior citizen who has raised a family, bought a home, paid it off, with their kids now off and doing their thing, has the Canadian government saying to them: "Well, if you cannot afford the increased property taxes, sell it". That is the biggest investment most Canadians make in their life. If they are reduced to selling that after paying the mortgage for some 30–odd years on 25 year amortization programs that they used to have, that they no longer have, what are we telling them?

I go back again to the question of the member on the government side. "Do you not trust us now in C–60 to take care of the over–all taxation situation?" From a practical view: why should they?

Take a look at the whole question of family child benefits. There has been much to–do about this much heralded new program. If you are in the $30,000 to $40,000 bracket of income for a family, the increase for your child benefits are $4 more than they are under the current regime. Between 1986 and 1991, some $3.5 billion was removed by this government in the area of child benefits.

Then the government comes along and expects, once again, to be applauded. Then you have the minister of health who takes pride in getting up and being "the killer" of child care in this country. In my riding, and the riding of my hon. friends on this side of the House, when we go door–knocking during and before a campaign–it does not matter–often you see what? You see a six–year–old answering the door who is taking care of his two or three–year–old brother because both parents are forced to work. They cannot afford child care and therefore that is the situation.

Are we really equipping our nation? Are we really permitting the opportunity for men and women to work while at the same time allowing for quality care of our youth of tomorrow's future as the word and as the statement that is over–used goes? To my hon. friend who asked, "Don't you trust this government in Bill C–60 to look after the needs, whether it is children, whether it is on the taxation front, whether it is the unemployed, whether it is training or education?", the answer is no. It is not a no because we happen to be in the opposition and that is the thing to say when you are in the opposition. It is no on behalf of Canadians.

This is not only a question of passing the burden on to provincial governments. This is a question of passing on a burden to the country, a burden that it will be paying for years to come because as I said initially, the world does not owe us a free lunch. Other governments, whether in Europe or in the Asia Pacific, are not only meeting their words with money, but are beginning to certainly have a greater spread between their countries, their economies, their training, their apprenticeship programs and us. Europe 1992 has arrived. It is here. They are getting their act together. We still do not have free trade among our provinces. We have got to wake up. When I say "we", I mean our country. I mean this Parliament that speaks on behalf of the country, at least as it speaks today and hopefully in the future.

• (1720)

If we truly want to equip our youth with the best education, if we truly wish to equip Canadian citizens with training and apprenticeship programs, then why over the last number of years have these transfer payments been far under the rate of inflation or the growth of our GNP? Why? The question will come back to haunt us.

This government is always looking back and always taking things out of 1981 and 1972 and 1953. The challenge for this government today is not to be an erroneous historian. The challenge for this government is to have a breath of vision for things to come. On that score the budget was a failure and Bill C–60 is a failure.

Mr. René Soetens (Ontario): Mr. Speaker, I rise to comment because I am rather displeased with what I heard.

I heard the comment that the hon. member does not want us to refer back to 1981, 1982 or 1983, so I will not. I will respect that wish.

He did refer back, of course, to our period in government, starting in 1984. He talked about the fact that we have been cutting transfer payments and we have not kept pace with the rate of inflation and so on.

The member is from Ontario. I believe his riding is York West. I think I have the name of the riding correct. It is close, anyway. I represent a riding in Ontario as well, not too far removed from his.

I note, based on information that is readily available, that the Government of Canada transferred to the province of Ontario in the period between 1984 and 1991–92 some $9.9 billion, which over that period of time was a 62 per cent increase in funding, well in excess of the rate of inflation.

I would caution the member that when all of that increase took place those problems he has referenced with regard to training and education programs were in fact there and were not being addressed by all the money being thrown at them.

I would like to comment a little further. He stated that our budget had no recognition for those who are unemployed, the problems of the economy, no stimulus, no incentive. I think he used no plus some other adjective about eight or ten times about how this budget was a disaster.

I rise to say that I am sorry if he did not relate to his constituents how this budget was good for his riding, good for my riding and good for all those ridings in Ontario where there is extensive manufacturing. In the manufacturing sector we have improved the capital cost allowance. That is good for investment. That is good for job creation. We have reduced the withholding tax on manufacturers' dividends. That is positive for manufacturing. We have also cut the income tax rate for manufacturers.

I do not know if General Motors is very big in his riding but out my way General Motors has a significant employee base, along with Chrysler and many multinational manufacturing companies. We have just cut the income tax rate. That is good for job creation by those companies.

We have developed a small business financing bond, a venture capital fund. We have enlarged the small business development loan. All of those things are good for Ontario.

I am sorry that the member decided that he would ignore all of those good things for Ontario in his comments about our budget.

Finally, he talked about training and education. We have allotted some $3.4 billion in federal funding toward training and retraining programs for the work force.

I say to the member, I do not want to look back because I respect his comment. What I would like him to do is look forward. There is the federal $3.4 billion going directly into training. He does not want us to mortgage the future. He does not want us to be irresponsible and

spend what we do not have, but he does feel we should put more money into the system.

If $3.4 billion is not enough, would the member mind telling me just how much more he thinks the Government of Canada should borrow in order to increase that training budget from $3.4 billion to whatever he thinks it ought to be.

Mr. Marchi: Mr. Speaker, if you take the comments of my hon. friend, you would think that people in Ontario are dancing in the streets. You would think that after the presentation of the federal budget that they would be rejoicing, that they would be going to the constituency offices of the government members and saying "Thank you so much", but I try to remind the member of Parliament that the statistics speak for themselves better than I can ever articulate the argument: 1.5 million unemployed, another million or so on welfare. In the city of Toronto there are over 10 per cent unemployed. He talks about the bonanza that this budget is going to bring for the manufacturing sectors in Ontario. I have large industrial parks in my riding of York West. Unfortunately, many of those are gone, many of those are hurting and many of those are beyond salvaging, thanks to the measure here.

We also have to keep in mind that the other challenge of that budget was to inspire and induce consumer confidence so that people would be confident in spending to buy the products that our business people and our entrepreneurs wish to create and fabricate.

If you will remember, the government also talked about increasing the small business loans to $200,000. Our critic for entrepreneurship and tourism pointed out in the debate in this House of Commons that many business people cannot even get a $100,000 loan from their banks. The banks are not lending those kinds of money. Yet the government comes along and says: "Hey, we are going to increase the ceiling from $100,000 to $200,000", knowing full well that while it might be good cosmetic public relations, it does not do one iota for the individual who is turned down both by the chartered banks, the top six, and then by FBDB and then comes to us and says: "Now where do I go?". Are we going to tell them: "Well look, the ceiling has been increased to $200,000. Go back to your bank", when they refuse them a loan of $100,000 or less?

What I am asking the hon. member to do is to face the realistic statistics that speak volumes about the health of our economy, about people who find themselves outside of our economy, an economy that is not working for them, a consumer confidence that is not going to inspire any kind of recovery. Therefore, there is the onus on a national government, on behalf of its country and citizenry, to inspire and induce that confidence if it is not going to come from its population.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, just a comment, if I could, because we are talking about the situation in Ontario. It is a situation which you would believe from the one side of the House, the government side of the House, is magnificent and which you would believe from the Liberal side of this debate is deplorable. I think that it is important for some facts to be put before the House and put before the country.

One of the facts which is most crucial to the reality which exists in the province of Ontario at the moment, despite the money which my Conservative friend referred to as having been transferred by the federal government to the province of Ontario, in fact in this most recent fiscal year the amount of money which was cut back, which had been promised to the province of Ontario under the transfers that were supposed to take place under the Canada Assistance Program, amounted to $1.8 billion.

• (1730)

No province anywhere in the country could survive that kind of onslaught. The province of Ontario has been faced with government policy on the Conservative side. I quote from the most recent labour force statistics which just came out this past Friday which show that "full-time employment across this country under this Conservative government went down by 73,000 in this past year, manufacturing employment went down by 76,000 in this past year".

That is what we have had as a record from this government. It seems to me that with a record like that, if I were the member from Ontario on the Conservative side, I would not get up and start asking questions and making comments. I would sit in the back row and hang

my head in shame and be pleased that nobody noticed that the member in question is a member of the Conservative Party.

I hope my friend from the Liberal Party would agree with me about this kind of boasting of what Ontario has received. In fact, Ontario has been hit so hard by this government. People across Ontario have been damaged so badly by the free trade deal, by the GST, by the cutbacks which have hit the Ontario budget.

Surely, it seems to me to be mistaken for this member from the Conservative side to get up and suggest that somehow manufacturing has been helped by these extra tax handouts that have been given.

Mr. Marchi: Mr. Speaker, the other fact and the other great variable of this equation awaits us in a number of weeks when the hon. member's friends in Ontario present their budget. We have had bad federal policy aggravated at the provincial level by a government that seems to be anti-business. If that bill goes throught, it will be passing labour laws and regulations found in no international jurisdiction. It is a question of not aggravating an already bad situation.

I implore the Premier of Ontario certainly to offer some light and some hope in a number of weeks when the government brings down its Ontario budget.

Mr. George Proud (Hillsborough): Mr. Speaker, as I listened to this debate in the last few moments I have become more suspicious of what is intended here than I was before I came in here.

I rise today as a representative of a constituency in a province that out of necessity has been a recipient of equalization and transfer payments for a great many years.

I am sure I speak for all residents of that province when I say that this is not the way we like to have it, but this is the way that it has been. We would rather be in a financial situation where we are on the other end and contributing to the equalization rather than on the receiving end. Unfortunately, at least for the short-term future, it would appear that we will continue to be on this end. As for legislation which affects this, it is of great interest to me and to members of my province.

The whole question of transfer payments and equalization goes to the very heart of being a Canadian. In these times of far-reaching talks on national unity, we must always remember that this country and its various parts must receive the same level of services from its governments. We cannot allow our dedication to deficit fighting create two or more different classes of Canadians.

As residents of this country we are entitled to equal services wherever we live. This is something which we can never allow to slip away. Residents of Prince Edward Island, Atlantic Canada, western Canada, northern Canada and central Canada are all entitled to the same level of services.

I fear that over the past years we have seen some slippage in these principles. The provinces in my part of the country are faced with mounting deficits because of cuts to payments they receive from the federal government.

When the ministers of finance met in January they announced a minor increase in transfer payments. That was small comfort to those provinces that had large pieces of their budgets taken away earlier. I again urge the government not to fight the deficit on the backs of the poorest people in the poorest provinces of our country.

Last week when we were in our constituencies I had the opportunity to speak to students in junior and senior high schools about staying in school. I took this proposition to them. I think I was successful in convincing some who had been thinking about leaving this year in the senior high school to go out into the workforce that they would be better off probably to stay in school for another term. The question that was most often asked of me by them was: "If we are going on to post-secondary education, how are we going to afford it?"

This is a very serious question across the country. The less money going to the provinces for post-secondary education, students are forced to pay higher tuition fees. Of course, when you add that to the fact that they are out there competing with so many people looking for summer jobs, jobs that are not there, this almost says to these students what I fear is coming, that if you do not belong to the rich class, you are not going to be able to go to university.

I hope that I will not live to see that day return to this country. We have a great young population out there. As I told them that day, they are the people who will be running this country in the future. I am sure and I hope that they do a much better job of it than is being done at the present time.

There are a couple of more specific issues here that I would like to speak on.

The plan of the government is to extend these equalization and transfer payments systems for another two years rather than concluding with another five year agreement.

We all know that this government will be forced by law within the next 18 months to go to the electorate. I have a fear that by simply extending the current agreements it is only buying time, trying to get by the next election before some more Draconian measures will be brought in to deal with the provinces.

I hate to see this idea of letting us wait until after the election. When I hear governments saying, "Have we got a deal for you" I begin to get suspicious. If after the election, if by some quirk of fate, that this government happens to be successful, I fear that it will continue the program of dismantling the structures which have made Canada what it is today.

There is a change also proposed in the base year of the payments. This could be another way to allow the government more manoeuvrability in an election year.

Another issue in the proposed legislation is that the government is still trying to coerce the provinces into harmonizing the goods and services tax with the provincial sales tax thereby broadening the tax base for Canadians.

• (1740)

With the generous return of $2 to taxpayers in the recent federal budget, I do not feel that many taxpayers across the country would be enthused by the prospect of harmonization of the provincial tax with the favourite tax of this government, the GST.

All in all I fear that this legislation signals yet another step in the move to change Canada away from a caring, concerned country where the strong look after and assist the weak to one where the government moves its responsibilities to another jurisdiction.

I fear this because we get into the other area of funding for medical services. This is one that has been talked about much in the last number of months. Many speakers have spoken on it.

Many people in the smaller provinces are scared of what is going to happen if the transfers going to the provinces continue to drop. Certainly, we are then going to be into a situation of different levels of medical services across the country.

When the constitutional committee was in Charlottetown during the first meeting it had as it started its journey across the country the premier of my province said that he would not want to see a checker-board type of medical services in this country. I am certain that nobody else wants to see that happen in this great country of ours.

I plead with the government that it not try to move this down the road for its own means, that it will be serious and that it will make sure that the transfers and the equalization payments are maintained and increased in this country. There are still many jurisdictions out there that are going to need the help of the central government and the other more affluent provinces for a long time to come.

I urge this government to be prepared to continue this, to improve it, not to stop it in the two years down the road and not to dismantle it.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to compliment my colleague from Hillsborough. I share his view when he stated that this bill really deals with the very heart of what being a Canadian is.

He talked about the fact that his province, Prince Edward Island, is a province that is a recipient of funding from the national government. There are times when obviously the province of P.E.I. does not generate the wealth that some of the other provinces have.

I would like to say to my colleague that coming from Ontario, most of the people in Ontario, in fact a large majority of them have absolutely no difficulty in sharing the resources and the wealth creation mechanisms that are in the province of Ontario with all regions of the country.

What I am hearing time and time again is that the people of Ontario want a strong national government. They want the standards in medical care and in education in Prince Edward Island to be the same standards

that we have in the province of Ontario. They want these national standards.

As the member for Hillsborough said, they want to make sure that this government is equipped to monitor and to maintain those standards in all provinces.

Does he not believe that the direction we are heading in is going to lead to us as national legislators to having a much more difficult time in meeting those national standards?

Mr. Proud: Mr. Speaker, I want to thank my hon. colleague for his comments and his question. What I have said here today and what I feel each time I rise in this House to speak on topics regarding budgetary matters, equalization payments, is that I am afraid we are headed in the direction that the country you and I grew up in is changing dramatically. I mentioned this in my speech. I am terrified that we are going to a more selfish type of government in which the rich are getting richer but the poor are not being looked after by the government the way that I knew it and that you knew it.

I see this happening and it is something that has happened over the last number of years. It makes me very sad to see this happening, not just because I come from one of the financially poorer parts of the country, but because Canadians—as you said, people in Ontario, people in Quebec, people in other parts of the country—believe that we should share this way, the way we have been sharing certainly for the last 50 years.

I am sure that if a poll were taken today it would show that. I would urge the government opposite not to go off on that route it seems to be taking, on which it is going to dismantle all of the things that I stand for and that I am sure many people in this House stand for.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, some might have believed the hype put out by the government on this bill which referred to it primarily as "housekeeping". That is the way I took it at first. It seemed as though it was going to be a rather humdrum affair, that there really was not all that much to talk about. I was certainly drawn back to reality when the minister, giving his opening speech on the bill this morning, started bragging about all the transfer payments that had gone from the federal government to the provinces.

I am from Saskatchewan and when I see what has happened to the province of Saskatchewan, not only by the Conservative government in Ottawa over the last few years, but also the Conservative government in power in Saskatchewan over the last 10 years, I can tell you that it certainly got my attention when it was talking about all this money and implying thereby that somehow this had imposed prosperity, not only on Saskatchewan but by implication, from what the minister said, on the nation as well.

It does not take a lot of imagination, study or observation to realize that what the minister was really doing was sounding, in most unequivocal terms, the failure of the very system which he was purporting to uphold.

In Canada, which most of us would acknowledge is potentially one of the richest countries in the world, for the minister to be speaking on this bill and bragging about how the increases to the provinces had gone up many-fold over the last number of years is really an indication of the failure of the system. I say a failure of the system because I would suspect that had we not had a failure of the system then most likely the provinces and the regions would have received less money.

• (1750)

Less money because the system, the economic system we have in place in the country, the economic leadership provided by the federal government, would have lead in truth to a prosperity in the regions. The opposite has been the case.

I know that there are times, certainly in our part of the country, when the economic situation is going to deteriorate somewhat. There are also instances in other parts of the country such as the fishery when you get a severely cold winter and the fish, in order to escape the more frigid waters, go elsewhere and are more difficult to catch. Therefore there is a failure in the fishery.

I do not want to leave the impression that I am not aware of what has happened under the aegis of this government. I am very well aware that along with all the government's other failed programs, its failure to sup-

port the fishery, its failure to husband the fishery, has led to economic disaster in the maritimes.

In this federal system of ours, often referred to as a co-operative federalism, we have agreed in our past history that there would be equalization payments to the regions or to the provinces in case of an economic decline. That makes very good sense and I will use Saskatchewan as an example because we are a province in transition and have been for quite some time. There are fewer people on the land now than there were a decade or several decades ago because of the mechanization of the agriculture industry. What this has meant is that many people have had to leave Saskatchewan.

I might add that since this government came to power in Ottawa, and we had a government with a similar philosophy in Saskatchewan, people have been leaving in far greater numbers because of the devastation which its policies have caused to the agricultural community.

The point is that when these people leave they are quite often highly educated people; not always in the universities but many of them with post-secondary education and skills who have gone and helped other parts of the country enormously in their development, whether it be academically through the university trained people or whether it be industrially through the skills which they have picked up in our technical institutes.

There we have the obvious reason why there has to be some kind of a transfer of funds from the federal government for post-secondary education. Transfer funds coupled with the transfer funds through the extended payment financing, the EPF, also include medicare, which over the years, the later part of the 1970s, includes the previous Liberal government under which the funding mechanism for post-secondary education and medicare was changed from specific tied funds to block funding.

We certainly lost a lot of the control which we otherwise would have had. The federal government lost a lot of control which otherwise it would have had for the financing of these programs.

The funding has gone down enormously. I know my time is limited. I will zero in primarily on education.

The university has had to become, as it was described a week or so ago at a conference, a business visage, more business-like. I would suggest that if we are going to insist that the universities become more business-like and if they take on the business pattern that this present government has adopted, not only is the economy of the nation obviously in danger, as has been evidenced, but also the educational system will be as devastated as the national economy has been.

What it has meant for the young people of Saskatchewan is that the university was forced to cut back on the number of professors and other services which it had available. In order to accommodate the decreased capacity of the university to supply services in the province, it raised the entrance requirements and also the tuition fees. You have the double whammy of it being more costly for the young people of Saskatchewan to attend university and you have also made it more difficult for many of them to get into university.

If you can imagine, we have a situation in the province now in which in order to get into some of the colleges in the University of Saskatchewan, the students have to have averages sometimes well over the mid-80s. In some cases, I have heard students have to have averages over 90.

There is no one here who, at least on the surface of it, would not say that they certainly value education. If we are talking in terms of people having to have over a 90 per cent average in order to get into university, we are talking in the realm of absolute stupidity. I remember when I was getting out of high school, the average, I believe, for university entrance was somewhere around 65 or 70 per cent. I would suggest Saskatchewan is a very good example of very well educated people having gone into the universities with those kinds of entrance requirements and having gone on to serve not only the province of Saskatchewan and the country of Canada, but the world, very well with averages that were not anywhere near that high.

I think we have to be careful here. I very nearly said cuts. The fact of the matter is that on the surface of it the number of dollars transferred to Saskatchewan from the federal government has not gone down, it has not been cut. What has happened is that the funds transferred to the province of Saskatchewan for post-secondary education and medicare have not kept up with inflation, which in the reality of the student going to university might as well be a cut because it affects them just as surely as if

the government had made the enormous slashes to the funds of the university.

I see my time is almost up and there are so many other things we could talk about. We could certainly talk about the budget for a long time as well. The member from Ontario was bragging about how this budget was so good for business. All these cuts were going to turn, not only Ontario, but the nation into a nation of productive and efficient workers.

Since this nation began, that is the philosophy we have had. We have been giving money away hand and fist to corporations and companies and what have we got? We have got a country that is bankrupt. Four hundred billion is a lot of money. That has been the problem. We have been giving money away to these financiers and it has not helped us a bit. There was a line in an editorial in the *Saskatoon Star-Phoenix* just at the time when someone was suggesting what we ought to do is cut back on the unemployment funds to people. The question asked in the editorial was: Do you really think that putting plenty into the hands of the gentry is going to improve the financial and economic situation in this country? The answer, of course, is no. The failure of this nation and the failure of the economic leaders of this government have been that we have been giving too much money to the corporations. We have been giving too much money to the financiers. What they have done is taken it and run.

• (1800)

I would suggest that when money is put into the hands of the small business people they do not run across the border. I suppose they could, but they do not want to. They want to stay in the communities and they want to develop the jobs there. Certainly the evidence is that small business people do that. I suggest that the time for putting plenty into the hands of the gentry has long since past. I only wish that this government would wake up to the fact that this is the latter part of the 20th century and realize that it does not work. It has not worked in any of our past history. It certainly did not work in the 1930s and it is not working now.

Mr. Speaker, how much time do I have left?

The Acting Speaker (Mr. Paproski): The hon. member has three minutes left.

Mr. Fisher: Oh, three minutes. Okay, that is wonderful. I just have time to relate a joke.

I studied theology at one time in the United Church. There was a joke among the theologians at the time about this United Church minister who went down to Vegas. Now United Church ministers and United Church people in general are not gamblers, but he is down there and he is sure that none of his parishioners are around.

He says: "Well, by golly I am going to gamble just once." So he decides he is going to gamble on a horse race and he figures that the best thing to do is go around the stables. He has heard peripherally that is what you do and you can maybe get some inside dope.

So help me, he sees a priest and the priest is paying quite close attention to one of the horses that is in the race. He says to himself: "Ah ha, that is just the kind of inside information I need." So he bets on the horse and it comes in last.

He figured that it served him right because he should not have been gambling in the first place. By chance he ran into this priest a little while later and related to him what he had done. The priest just laughed. He says: "That is the trouble with you United Church ministers, you do not know the difference between the blessing and the last rites."

Mr. Speaker, I would suggest to you that this government does not know when it ought to be administered the last rites.

Mr. René Soetens (Ontario): Mr. Speaker, I thought I would respond on two points.

Obviously there was some comment made with regard to my comments about the items in this budget that are good for Ontario. I do not apologize for those comments at all.

Suffice to say that some of the items in the budget have recognized some of the comments not only from members opposite but from an extensive public community about the problems of manufacturing in Ontario. I am pleased to see that the government, through the budget announcements, has recognized that there are some problems and we have acted in our jurisdiction, where we can, to try to resolve some of them.

The other point I would like to raise is the issue of transfers to the province of Saskatchewan. The member who has just spoken clearly stated that our transfers to the province of Saskatchewan have not kept pace with

the rate of inflation. In the period from 1984–85 to the present, transfers to the province of Saskatchewan have grown 89 per cent. That equates to an average annual growth rate of 8.3 per cent, which I would suggest, if the member goes back and looks at the statistics, is probably about twice the rate of inflation over that same period of time. The hon. member says we have not kept pace with the rate of inflation. Was he suggesting that we were transferring less than the rate of inflation or more than the rate of inflation? The facts show that we have transferred to the province of Saskatchewan, transfers that were almost double the rate of inflation. Is that what he was referring to? Is he not familiar with the exact numbers? In 1984 it was $727 million; in 1992–93 it is proposed to be $1.374 billion, 89 per cent more. I would like your comments on that.

Mr. Fisher: Mr. Speaker, as I said, there are times when untoward circumstances happen in the regions. The most untoward circumstance that happened to the province of Saskatchewan was that it elected a PC government in 1982.

Prior to 1982 the province of Saskatchewan was very nearly a have province, which was quite an accomplishment for that region of the country. Over the years when the CCF first came in and then in 1971 when the Allan Blakeney government came in, the province prospered and the transfer payments going to the province really did decline.

As I said, it is nothing to brag about that we transfer all this money to our province. We should keep in mind that a lot of this money has come to the federal government from the province anyway. The province of Ontario supplies the federal government with 45 per cent of its tax money. A lot of the money belongs to the people anyway.

I know there has been a lot of money going to agriculture in Saskatchewan but the federal government, whether it is the final payment from the Wheat Board or payment under grain stabilization or whatever, fails to take into account that there is a goodly portion of that money that belongs to the people who have paid for insurance programs and so on. It really is very galling that the federal government takes so much credit for it.

While we are speaking of agriculture and support, I suppose we could also talk in terms of lack of support. It is amazing that the last budget had no reference at all to agriculture. That is rather strange because agriculture is certainly in the forefront of the minds of a good many Canadians, not just farmers right now. Of course we have the situation where the marketing boards are in so much danger and talks are going on concerning the General Agreement on Tariffs and Trade.

I was talking to a member of the National Farmers' Union the other day and he told me how in the early days of this present round of the General Agreement on Tariffs and Trade, this government actually had committed Canada to a tariffication of those agricultural products and the flim–flam we have seen lately and the tremendous support it ostensibly has for marketing boards is just that, flim–flam.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I appreciate the opportunity to say a few words on this legislation which is an act to amend the Federal–Provincial Fiscal Arrangements Act and Federal Post–Secondary Education and Health Contributions Act and to really speak to the legislation this bill is designed to amend.

The equalization payment system and the federal–provincial transfer payment system that is described in this legislation is really, as the minister in introducing the legislation remarked earlier today, the cornerstone of the system of fiscal federalism in Canada and a very key element of what it means fiscally to be a Canadian.

• (1810)

The equalization payments system which has been developed over the last 30 odd years under both Liberal and Conservative governments is really an important aspect of what ties this country together. It allows those people living in provinces and in regions which do not have the fiscal capacity of those living in wealthier regions to be able to have the same level of public services as other provinces and regions that have a larger income base. They may have this base through natural resource endowments or sources of income. In that way they allow Canadians wherever they live to be able to have the same level of services without having to pay extraordinary levels of provincial and federal taxes.

That is really what the federal equalization payment system and the system of transfers for post-secondary education and health are all about. They are a very complex and a very important system of transfers and of government expenditures which have been developed over the years and of which all Canadians have a justifiable right to be proud.

If we look at the equalization payments formula, we will see that it is a marvel tying all of the sources of public revenue, the 37 or so provincial tax forms across the country together, and correcting the inadequacies in each of those tax forms in each of the provinces where they exist in order to make Canadians, for example living in Nova Scotia, able to aspire to the same level of public services as Canadians living in Ontario without having to move.

It really is a very remarkable and uniquely Canadian system that we have here and which we in Canada have a right to be proud of and to want to preserve as our government sought to do by enshrining the principle of equalization as item number 36 in the 1982 Constitution.

The minister was right in describing this as a cornerstone of the federal fiscal system in Canada. The legislation that is before us today makes what are somewhat minor amendments to this system, extending the legislation for two years and making limited changes that will not bind this country for the same number of years that it normally does, which is five years, by only extending the legislation to two.

Nevertheless, the importance of this legislation, the fact that over $22 billion in funds were transferred to provinces and territories last year through this system and more than $8 billion were transferred under the equalization payments program alone, means that parliamentarians ought to be concerned and ought to have the time in this House and through the parliamentary committees to really examine closely what is being done and what is being transferred through this system.

It is unfortunate that we are receiving this almost at the end of the period when those arrangements are expiring. The current equalization payments will expire at the end of March. Here it is March 9 and we are only now receiving the government's plan for extending the equalization payments.

My first point is that I would have asked that the minister give us more time as parliamentarians to understand the implications of what is being proposed in this bill even though it is not radically transforming the bill, but it is making certain significant changes to it. That is my first point.

The next point which I would like to make has to do with the minister's remarks that he has, in fact, consulted for over 20 months with his provincial counterparts. He reports today that they are very happy with the results of the consultation and with the improvements to the tax collection agreements and to the equalization payments that have been proposed in this legislation.

That may well be the case. Perhaps we should be rejoicing the fact that the Minister of Finance was able to achieve this degree of harmony, given the fact that more than $600 million will be transferred to the provincial treasuries as a result of this legislation. I would not be surprised that the ministers of finance of the respective provincial governments would be happy with that arrangement.

I do not consider that a reason to be assured that the provincial governments are satisfied with these consultations because for many months Canadians have been very concerned about the erosion of the role of the federal government, the powers of the federal government and the abilities of the federal government to maintain a strong presence across Canada.

That was expressed time and time again throughout the debates of the special joint committee on the Constitution as one of the reasons Canadians are urging this government not to allow the federal powers to be weakened as they very much have been weakened and given away under this administration to the provinces and indeed to other countries, notably the United States.

I think we should be very concerned about that. I think we should be very concerned that the wholesale transfer of spending authority to provincial governments should not be given unequivocally and unconditionally. The federal government should maintain its abilities to act in the interests of all Canadians.

While it may be a good thing that the provincial ministers of finance were happy with the arrangements that go into this legislation, I have not had a chance to look at it in great detail, but I do not take that as any reason to be comforted as the minister would like to have me and other members of this House believe.

We should be looking at this very carefully for precisely that reason, because this government has been all too prone to giving away the store to provincial governments with the result that we are losing as a federal government and as a federal Parliament the ability to make laws for the benefit of all Canadians.

One of the items that occurred and which is of particular concern to me was a topic of debate through the activities of the joint committee on the Constitution.

It had to do with regional development. Regional development is one aspect and one reason the federal equalization payments exist. The federal equalization payments exist to help those provinces which are regionally disadvantaged to provide public services to attract investment, to attract industry and to enable their populations to have the base of income and of public services to create the wealth and employment that they need in order to reduce the disparities which still persist in this country.

One of the things that worries me in the document of the joint committee is that regional development, according to the majority report, would be transferred to provincial governments. The federal government would in fact not have the authority that it ought to have under the Constitution and that it rightly should have as a national government to promote the interests of all Canadians in particular matters of regional development, those it ought to have under the Constitution.

As a national government it rightly should have to promote the interests of all Canadians in particular matters of regional development, those Canadians who live in disadvantaged or less favourable economic regions of this country. Those situations change over time and the factors influencing them change over time.

• (1820)

In Atlantic Canada, we have persistently suffered as a result of living in a part of the country that has not had the wealth base of the richer provinces such as Ontario, British Columbia, and Alberta.

As a result, we have constantly had to endure receiving higher unemployment insurance payments and transfer payments while we attempt to restructure our economies and to build a base that we can use to be actual contributors to the federal government and to other Canadians in the form of equalization payments.

We need in Atlantic Canada more than anywhere else a strong central government that has the ability and the power to act in terms of regional development and in those areas of competency that impact on regional development, impact on the location of economic activity in this country. Then our natural weakness *vis-à-vis* the rest of the country can be counterbalanced by that strong central government.

I am glad in a way that this legislation which has been introduced today only extends the current arrangements and those arrangements which have been negotiated by the Minister of Finance with the provincial governments for another two years.

Hopefully by that time we will have a Liberal government in power which will be in a position to redress the dreadful slide which has occurred over the last eight years in terms of the powers and the abilities of the federal government to act for all Canadians.

In having a government with the will to do so and the will to act in favour of the more disadvantaged regions of this country, we will be able to enable the national government to finally act for all Canadians powerfully and strongly.

Our system of equalization transfers will reflect that. We will not be shy about affirming that responsibility which exists in the Constitution and which needs to be reinforced and backed up by a federal government with the commitment and resources with which to do that.

That is my main point about this legislation. I have not had a chance to look at it in detail, to look at the arrangements that are being made in terms of harmonization of tax systems with the provinces.

I know that the government would like to boast about the fact that the GST will be harmonized with the provinces. That is not something that the federal government should be boasting about. It should be ashamed that it has the GST because the GST has caused so much havoc and so much destruction in the Canadian economy across the country.

That is partly because it was not harmonized to begin with, but mostly because it was there and it has done so much to discourage economic activity in Canada to force it south of the border. It has been partly responsible for the severe recession which Canadians are now facing.

In conclusion, I would hope that in the course of the debate on this bill in committee, we will have a chance as parliamentarians to look carefully at the fine print of this legislation, what has been negotiated with the provincial governments, what it means for the future of equalization payments and transfers, the very important responsibility which this government has to have to manage and to promote the interests of all Canadians regardless of where they live.

I hope and expect that that will occur in the next three weeks. I lament that we will not have had more time in which to do so, in which to really take seriously what is really a very fundamental piece of legislation.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to compliment my colleague from Cape Breton Highlands—Canso and I want to ask him a question about federal presence.

The Prime Minister of Canada a few months ago came out with this speech—I do not know if he was on one of his talk shows—and he was saying that Canadians have to be more patriotic. This was on the front page of all the Toronto papers and I am sure it made the front pages of most papers right across the country. Quite frankly, I agreed with the Prime Minister. I think Canadians should be more patriotic.

However, I think that with the way the way the Prime Minister is dismantling programs and handing over added responsibilities to the provinces we are working against the federal presence in our country which ultimately leads to a feeling of patriotism.

When the member talked about the fact that there is close to $30 billion in fiscal transfers equalization payments, I wondered what the member's views would be that somehow tied to those transfers, to those equalization payments, there would be some kind of a federal presence formula so that in the universities and the hospitals and wherever else funding is from the national government through those arrangements, it would somehow be reflected in some kind of a federal presence which would ultimately lead to a feeling of patriotism, the very thing that the Prime Minister says we need so badly.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I want to thank my colleague from Broadview—Greenwood who has demonstrated in so many creative interventions in this House and elsewhere ideas that can lead to that renewed sense of patriotism and spirit of national pride that we as Canadians can justifiably have and need to express more openly.

I think one of the problems with this government and with this Prime Minister is that they have been unwilling and timid in their expression of leadership in the face of perhaps opposition in certain parts of the country when it comes to asserting the pride of Canadians and the pride of being a Canadian and reflecting that pride in our national institutions.

There are all kinds of examples in which the government has done that. For example, as my colleague from Glengarry—Prescott—Russell mentions, the removal of Canada Post from the logo of the Canada Post Corporation is a small example. There is another example: it is Radio Canada International. Another example which has caused constituents of mine to be outraged is the fact that the National Arts Centre in its travelling tour is not going to be singing the national anthem in the province of Quebec, and the failure of the Prime Minister of Canada to take it to task for that.

Those are just small examples in which we as Canadians who want to affirm our Canadian identity and want to have that transcend our local identity need to see the leadership from our government in order to do that. The member is quite right. I believe it would be an excellent idea to put the Canadian flag up front, to put some symbol of the Canadian government's participation in programs that the Canadian government is participating in.

That was done when the Liberal government was in power. You would see signs that indicated the federal presence very clearly. It was a source of pride and it showed Canadians that their tax dollars have gone into that project.

Those gestures and those symbols are important, particularly at this crucial time.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I just wish to draw to the attention of Canadians that the

Tories, after having said they would not alter the transfer formula, have done so. They cut it by 2 per cent in 1986, they cut it by 1 per cent in 1989–90, and they froze the formula in 1990–91. This bill freezes it for another two years. If one takes the total effect of the current Tory decisions on the transfer formula from 1986 to 1995, there will be almost $9 billion fewer dollars transferred to the provinces for post-secondary education.

I want to ask the member for Cape Breton Highlands—Canso: What is the unemployment rate in his area and what effect will this reduced amount of money going to his province for post-secondary education have on the unemployed students? As he knows the higher the students are educated, the greater their opportunities of obtaining employment and keeping employment; the lower education of course, the less opportunity. What impact will such a bill have on the students entering post-secondary education in his province?

Mr. LeBlanc (Cape Breton Highlands—Canso): I would like to thank my colleague for that question. In the part of Nova Scotia where I live, the unemployment rate is in the neighbourhood of 20 per cent and in some places much higher. That is the official unemployment rate. The actual unemployment rate is probably much greater.

To the precise question asked, the reduction in equalization and transfers to post-secondary education are already having an effect. They are having an effect by forcing universities in Nova Scotia to raise their tuition fees beyond those in other parts of Canada. They have tuition fees that are the highest in the country and they are making it more and more difficult for students from our area, where their parents are very often unemployed, to attend university to pursue higher education and to prepare themselves for decent well paying jobs in Nova Scotia or elsewhere in Canada.

They are having a very detrimental and immediate impact in my area.

The Acting Speaker (Mr. Paproski): It being 6.32 o'clock p.m., pursuant to Standing Order 45(6), the House will now proceed to the taking of the deferred division on the motion at second reading stage of Bill C-61, an act to provide borrowing authority for the fiscal year commencing April 1, 1992.

BORROWING AUTHORITY ACT, 1992–93

MEASURE TO ENACT

The House resumed from Friday, February 28, consideration of the motion of Mr. Mazankowski that Bill C-61, an act to provide borrowing authority for the fiscal year commencing April 1, 1992, be read the second time and referred to Legislative Committee E.

The Acting Speaker (Mr. Paproski): Call in the members.

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

(Division No. 110)

YEAS

Members

Andre	Atkinson
Beatty	Belsher
Bertrand	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Yellowhead)	Clark (Brandon—Souris)
Cole	Collins
Cook	Cooper
Corbett	Côté
Couture	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Hogue
Holtmann	Horning
Hudon	Hughes
Jacques	Jelinek
Johnson	Joncas
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Lewis	Loiselle
MacDougall (Timiskaming)	MacKay
Marin	Mayer
Mazankowski	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Monteith	Moore
Nicholson	Oberle
O'Kurley	Plourde
Pronovost	Redway
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	Saint-Julien
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Thacker	Thompson

Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van De Walle	Vézina
Vien	Vincent
Weiner	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Worthy—118	

NAYS

Members

Allmand	Anawak
Angus	Arseneault
Axworthy (Winnipeg South Centre)	Bélair
Bellemare	Berger
Bevilacqua	Blaikie
Boudria	Brewin
Butland	Caccia
Callbeck	Catterall
Comuzzi	Crawford
Dingwall	Duceppe
Edmonston	Ferguson
Finestone	Fisher
Flis	Fontana
Foster	Fulton
Gaffney	Gagliano
Gardiner	Gauthier
Guarnieri	Harb
Harvard	Hopkins
Hovdebo	Hunter
Kaplan	Keyes
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Kindy	Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacLaren
MacLellan	Maheu
Manley	Marchi
Marleau	Martin (Lasalle—Émard)
McCurdy	Mills
Pagtakhan	Peterson
Phinney	Proud
Robinson	Samson
Stupich	Taylor
Vanclief	Venne
Walker	Wood
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—70

PAIRED—MEMBERS

Assad	Milliken
Tardif	Vankoughnet

[*Translation*]

The Acting Speaker (Mr. Paproski): I declare the motion carried. Consequently, the bill is referred to Legislative Committee E.

Bill read the second time and referred to Legislative Committee E.

[*English*]

The Acting Speaker (Mr. Paproski): It being 7 p.m. the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.59 p.m.

HOUSE OF COMMONS

Tuesday, March 10, 1992

The House met at 10 a.m.

Prayers

[*Translation*]

Mr. Speaker: Pursuant to order made Monday, March 9, 1992, I would ask the Hon. President of the Privy Council of Canada and Minister responsible for Constitutional Affairs to make a brief statement on the recognition of Louis Riel.

[*English*]

LOUIS RIEL

STATEMENT PURSUANT TO ORDER

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I am honoured to introduce this resolution which I propose to read before my remarks. The resolution agreed to by members of this House and of the other place is the following:

That this House take note that the Métis people of Rupert's Land and the North Western Territory through democratic structures and procedures took effective steps to maintain order and protect the lives, rights and property of the people of the Red River;

That this House take note that, in 1870, under the leadership of Louis Riel, the Métis of the Red River adopted a List of Rights;

That this House take note that, based on the List of Rights, Louis Riel negotiated the terms for the admission of Rupert's Land and the North Western Territory into the Dominion of Canada;

That this House take note that these terms for admission form part of the *Manitoba Act*;

That this House take note that, after negotiating take Manitoba's entry into Confederation, Louis Riel was elected thrice to the House of Commons;

[*English*]

That this House take note that, in 1885, Louis Riel paid with his life for his leadership in a movement which fought for the maintenance of the rights and freedoms of the Métis people;

That this House take note that the *Constitution Act, 1982,* recognizes and affirms the existing aboriginal and treaty right of the Métis;

That this House take note that since the death of Louis Riel, the Métis people have honoured his memory and continued his purposes in their honourable striving for the implementation of those rights;

That this House recognize the unique and historic role of Louis Riel as a founder of Manitoba and his contribution in the development of Confederation; and

[*Translation*]

2. That this House support by its actions the true attainment, both in principle and practice, of the constitutional rights of the Metis people.

[*English*]

Sir, it is a particular honour for me to move this motion in the presence in the galleries today of Mr. Yvon Dumont, who is the Speaker of the Métis National Council, the presidents of the Métis associations of British Columbia, Alberta, Saskatchewan, Ontario and the Northwest Territories, and other leaders of the Métis people of Canada.

I should say that I note, as I hope the House will, the presence in the Chamber of the member for Provencher, a minister of this government, representing now the seat that was occupied and to which Louis Riel was elected three times when he was a member of this House.

Louis Riel

• (1010)

I rise today to introduce a motion to recognize the role of a Canadian who made a major contribution to the development of Canada as we know it. In this process the Parliament of Canada can take an important step toward recognizing the major role played by the Canadian Métis people historically and today and help them generate pride in their history, in their heroes, and in their country.

I will not attempt to review Louis Riel's entire life and career. That would take much longer than the time available here. It is unnecessary in view of the fact that more has been written about Riel than possibly any other Canadian figure. I do wish, however, to take this opportunity to express my admiration for his devotion to the interests of the Métis people of Canada.

[*Translation*]

The courage, determination and ingenuity he showed as a young man in leading the Red River community through a troubled time in its history and in resolving a very difficult situation are indeed remarkable. I think it is safe to say that for Riel, returning to the Red River Settlement after several years' absence during which he pursued his studies in Montreal, the thought of becoming involved in a heated political debate was indeed far from his mind.

What he found upon returning, however, was a community which was deeply worried about its future as part of the new Dominion of Canada. The Métis people, who formed the majority in the Red River community, looked to him for leadership, as someone who was articulate, educated, bilingual and knowledgeable in the ways of the country which was preparing to annex their territory.

Louis Riel, this young man barely into his twenties, answered the call for help. He worked closely with the members of the community and with them succeeded in defining and articulating their concerns and objectives. Showing a remarkable respect for democratic procedures, he actively sought to achieve broad consensus for these objectives by organizing public meetings to discuss the demands they would submit to the Canadian government. Riel's success in uniting most of the Red River Settlement behind these initiatives was a major achievement. His failure to win unanimous support was simply a reflection of the deep divisions that existed in the community at that time.

[*English*]

In the end, Riel's accomplishments in what historians call the Red River resistance were numerous and they were significant. He had an important role in ensuring that Manitoba entered Confederation with provincial status instead of as part of the Northwest Territories, and that religious and language guarantees were incorporated in the Manitoba Act.

The issuing of land grants for Métis to respond to Métis concerns about the need for land for themselves and for future generations was also a part of the legacy of Louis Riel.

Fifteen years later, Riel was again involved in a movement to defend the interests of the Métis people along the banks of the Saskatchewan River. Sadly these events ended in tragedy and controversy. But who could fail to be struck by Riel's deep devotion to his people and his willingness to pay the ultimate price of his life to help his people.

It is now time to recognize the very important and constructive role Louis Riel played in defending the interests of the Métis people and of contributing to the political development of the west and of Canada.

For years Louis Riel's life and death reminded Canadians of the divisions which exist in our society. Recollections of the events with which Louis Riel was involved brought to the surface tensions between aboriginal and non-aboriginal Canadians, between francophones and anglophones, and between western Canadians and central Canadians.

However we must now build on the positive, not the negative dimensions of this experience. The long overdue recognition by this House of Louis Riel's important role in shaping Canada as we know it today is an indication that we have matured as a nation. It is a demonstration that we see in our common history a source of strength, not of weakness.

As one Canadian, one western Canadian, I am proud to have a role in providing an opportunity for that recognition to take place in this House of Commons.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, it is an honour and a privilege to rise in the House today to speak before an audience that in addition to a large number of members of our three main political parties also includes leaders of the Métis people and a number of their representatives.

I appreciate this resolution by the government. I feel the government has taken a major step forward, but although it is a very important step, I would like to see the government take one more step, be it more modest. Let me explain.

[*English*]

The government has identified a number of important points related to Louis Riel's contribution to Canada, and I am pleased with that. I simply want to add a bit, perhaps build upon the statement that has already been provided.

We have the opportunity as a Parliament to recognize the historic role of Louis Riel as a founder of Manitoba. I am delighted that we are in the process of doing that.

[*Translation*]

It is an honour for me particularly, as the member for the federal electoral district of St. Boniface. As you know, Louis Riel's family home is in my riding. The parish of St. Vital where he had some very close ties is in the same riding. He was buried in St. Boniface, near the cathedral, and the Red River, which is part of my riding, was a major meeting place for the Métis people.

Although Canadians know their country well, I am afraid that they do not know it well enough. They do not know enough about the story of Louis Riel and the Métis people.

The minister mentioned earlier that Métis leaders in the Red River colony in the Northwest Territories and Rupert's Land had taken appropriate democratic action to protect their traditional rights and their property. People tend to forget this is what motivated Riel to act.

In 1869, Louis Riel drew up a list of rights protecting all settlers living in the Northwest Territories. We should remember that at the time the population was about 12,000. There were about 6,000 French speaking Métis, 4,000 English speaking Métis, and 2,000 other Canadians, although they had yet to become a part of Canada. These people were a major presence in that province.

We must not forget that the transfer of land, this huge land grant, was conditional on the list of rights being accepted by the Parliament of Canada. And it was accepted. In fact, as a direct result of the approval of the list of rights in 1870, the Parliament of Canada passed the Manitoba Act.

[*English*]

As a result, all lands draining into the Hudson Bay were transferred to Canada on July 15, 1870. As well, the lands contained in the northwestern territories, which now form the major part of Canada, were added. That is a massive addition to our country.

I want to recognize as well that Manitoba was the first western province to join Confederation.

We must remember as well a very unique contribution is the fact that this list of rights that was provided by Louis Riel not only for his people but for all peoples in that area at that time came well over 100 years before our own Charter of Rights and Freedoms. There are many, many similarities between both documents.

[*Translation*]

The name Manitoba was submitted by Riel and selected by the Parliament of Canada as the name of the new province. The name Manitoba is a native expression which means "the spirit who speaks". Many informed sources have affirmed that Louis Riel is a founder of Manitoba.

[*English*]

I want to recognize as well that in 1871, during the American Fenian threat, Louis Riel organized the Métis people to protect the border of Canada against this invasion that could have changed the whole course of Canadian history. This is often forgotten.

• (1020)

People have forgotten that Riel and his people were publicly commended for their patriotic actions by Adams G. Archibald, Lieutenant-Governor of Manitoba and the Northwest Territories.

[*Translation*]

After negotiating Manitoba's entry into Confederation, Riel was elected three times to the House of Commons. This was pointed out earlier by the minister, but I think it is worth repeating that Riel was elected three times as member of this House.

In 1884, as you will know, the Métis people asked Riel to form a provisional government that would claim and renegotiate the rights they thought they had obtained from the Parliament of Canada in preceding years. Unfortunately those rights existed only on paper. The Canadian government at the time, and I say this without rancour, ignored the crisis involving Métis and aboriginal people in the Northwest Territories. And, as you know, the Canadian government sent troops to crush the rebellion.

Interestingly Riel gave himself up to the authorities. Later, when they decided what to do with him, he was accused of treason.

According to many experts, Riel was falsely charged, convicted and executed for high treason on November 16, 1885 by the Canadian government. Riel paid with his life for the fact that he headed a political movement that struggled to maintain the rights and freedoms of the Métis people.

[*English*]

This House should also know that the Constitution Act of 1982 recognizes and affirms the existing aboriginal treaty rights of the Métis people. Clearly I think we would agree that this would not have been done unless there had been some historic reality for the recognition.

Since the death of Louis Riel, the Métis people have honoured his memory on a regular basis. They have attempted in every possible way to bring about the implementation of those previously agreed rights.

[*Translation*]

I am pleased to support the conclusion of this resolution:

(1) That this House recognize the unique and historic role of Louis Riel as a founder of Manitoba and his contribution in the development of Confederation; and

(2) That this House support by its actions the true attainment, both in principle and practice, of the constitutional rights of the Metis people.

[*English*]

Having served as a member of the Special Joint Committee on a Renewed Canada, there is some concern right now by the Métis people as to how we can respond to their legitimate concerns and rights. This is a great opportunity to do exactly that.

Acceptance of this resolution would be an invaluable contribution made by us to realize and concretize that the Métis people and Louis Riel had made immense contribution to this country.

Let me terminate very quickly by adding the following. This House of Commons in this period, most of us would agree, of constitutional and political instability is a great opportunity to correct the historical record, to acknowledge the contribution of Louis Riel and his people to Canada, to recognize Louis Riel not only as the founder of Manitoba but clearly, if he was a founder of Manitoba and Manitoba is part of Canada, as a Father of Confederation.

There have been precedents where people have been falsely accused and where we have been able to go back and correct those wrongs. In a sense, we are doing that today.

If Louis Riel's trial were taking place today, if he and his people were to be judged by his peers and by our leading historians, Louis Riel would in all probability not be judged guilty as he was over 100 years ago.

[*Translation*]

In the spirit of justice, and at a time of great instability in this country, I urge the House to take one more step: Let us recognize Louis Riel, not only as the founder of the province of Manitoba but also as one of the Fathers of Confederation.

[*English*]

It is time to redress the injury to Louis Riel's name and to his people. I would say that all this House needs to do is to take one more step forward.

Mr. Rod Murphy (Churchill): Mr. Speaker, as a member from western Canada and a representative of a large

number of Métis people, I am very happy to stand in this House today and support the motion that is before us.

It is not the first time that I have had the opportunity to get up on this very important issue. In 1982, on the 97th anniversary of the hanging of Louis Riel, I, seconded by the then hon. member for Saskatoon East, Father Bob Ogle, asked for a posthumous pardon for Louis Riel. That was the wish of the Métis people at that time. Things have evolved over the years and that is no longer the direct demand of those people. It was a wish and a concern that I had and I expressed on behalf of my constituents. Unfortunately that request was denied under the rules of the House of Commons at that time.

Later on, in 1986, I also had an opportunity to speak on Louis Riel and his contribution to Canada. If I may, I would like to quote one paragraph from that speech because it really relates to what we are doing today in the House of Commons. In the speech I said the following:

> The history of Louis Riel does not have to be debated in this House. I think all of us recognize his contribution. There may be some who would argue about the details of it. However, there can be no legitimate debate with respect to the fact that Louis Riel was the founder of Manitoba and through the process he established, the provinces of Saskatchewan and Alberta were able to develop in a way which may not have happened had the negotiations not taken place between the people of the Red River settlement and the Government of Canada in the years 1869–1870. That was a recognition which took place between the people who lived in Red River and the people who were running the Government of Canada. It set out the Manitoba Act which is the basic Constitution of the province. It obviously influenced the development of our province. By anyone's definition, that would be good enough to ensure that Louis Riel be recognized as the founder of Manitoba and a legitimate Father of Confederation in his own right. I hope that this would not be questioned by anyone in this House.

The motion that goes before us today moves in that direction. I am happy that the Government of Canada is recognizing Louis Riel as a founder, but I do believe we must go that further step and recognize him as a true Father of Confederation.

As other speakers have indicated, he did negotiate with the Government of Canada. He did set up the rights, the very constitution of the province of Manitoba. He recognized the English and the French, the native and the non-native. It was a true negotiation, in many ways, in almost a Canadian scene where we have the situation where Louis Riel and his supporters were in Fort Garry negotiating through the Catholic Church with the Government of Canada. They were negotiating for their rights. They were negotiating for their people. They were negotiating for the people of the west. They did represent a legitimate authority and a legitimate voice of the people of western Canada.

That recognition is in part being met today, but I think we should go further. I would hope that at some time in the future that would happen. I too would like to bend the rules of the House and recognize the people in the gallery. I know that the minister, when he spoke, recognized that he maybe should not have done that according to the rules, but I think their contribution and their presence today in this House is very appropriate.

Some hon. members: Hear, hear.

Mr. Murphy: In the few minutes that I have left, I would like to say that we cannot stop here. We are in the process of another constitutional round. The Métis people must be recognized. They must have their rights enshrined in the Constitution in a more definite manner than is presently being suggested. That must happen. We have had over 120 years since Louis Riel was in Fort Garry and things should be happening on the constitutional scene at this time.

In addition, it should be recognized that the economic plight of many Métis people is still something that is a disgrace to this country. In terms of education, social services and housing, we have a situation which is completely unacceptable. They have been left out as the white men have made the rules of this country and have developed the social programs of this country. They have lost the land base that the minister spoke of. They have lost the economic base and that must be restored. The responsibility of the federal government to the Métis people of Canada must be recognized and must be restored at full value.

• (1030)

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, on a point of order, I want to draw to your attention this rule that only allows parties and spokespeople from parties and a minister to comment.

I was in the House yesterday but unfortunately went up to my office and just saw the tail end of the parliamentary secretary saying that there had been consultations with party leaders on this motion. Without getting into the debate of the motion, I do not think Standing Order 33(2) precludes other members who are not members of parties from participating in a brief way in this debate.

I appreciate that the rule is very circumspect, but the rule is so tight that it does not even give the opportunity for members to vote on this type of motion. The motion moved yesterday makes the motion automatic.

That is why, Mr. Speaker, I am begging your indulgence to say a few words. I would like to make a few comments on the speeches previously made. I have been in this House, as the hon. member for Churchill mentioned, when there have been other suggestions of rewriting Louis Riel history—

The Acting Speaker (Mr. Paproski): Order, please. Is there unanimous consent to allow the member to say a few words?

Some hon. members: Agreed.

Mr. Nowlan: Mr. Speaker, I will be very short.

I come from an area where there was an injustice done many years ago, when in 1755 the Acadians were expelled. For all the laudable reasons mentioned here about Mr. Louis Riel, member of the House of Commons, perhaps there should be a motion brought by me to redress that wrong. Where do we stop? Benedict Arnold, if he had been on the side that won the war, would not have been hung.

All I want to say is that there have been positive remarks made, especially those by the hon. member for St. Boniface. The motion just hit me yesterday and I most likely might have agreed with it. I appreciate the indulgence of members and I am not going to abuse it. The motion hit me.

We came back after a break. There was not a question to the Minister responsible for Constitutional Affairs about what is ripping the country apart and out of the blue we start to rewrite a page of history for something that was done in the past.

I must say in conclusion, if there was ever a commentary on the sad state of this Parliament, regardless of some of the nice things said about it today in some of the speeches, this is the best example.

Goodness gracious, who knows? In another Parliament 100 years down the road when we revise history and are politically correct, we will find that Mackenzie King was a security risk because he did things during the war according to a medium's ball that in effect were very *risqué*.

I could go on. The record shows that Churchill had something to do perhaps with that horrible bombing in Dresden which may or may not have been necessary. He kept quiet about Coventry. The record goes on and where does it stop?

Surely members of this House who have spoken well about the past will have the intestinal fortitude to speak on present problems and have the minister respond to questions about the present constitutional problems. That is part of the reason I wanted to speak.

I want to make it very clear that I agree with the member for St. Boniface that if the trial was today many other factors would apply. The fact of the matter is that if this motion had been in the House then, it would not have passed.

I just think it is a waste of our time to in effect revise history because of something which circumstances changed later.

The Acting Speaker (Mr. Paproski): Pursuant to order made Monday, March 9, 1992, the motion regarding the recognition of Louis Riel which appears on today's Notice Paper is deemed to have been moved, the question thereon is deemed to have been put, and the motion is deemed to have been adopted.

Motion agreed to.

ROUTINE PROCEEDINGS

[*Translation*]

INTERNATIONAL ASSOCIATION OF FRENCH SPEAKING PARLIAMENTARIANS

PRESENTATION OF REPORT OF ACTIVITIES OF CANADIAN SECTION

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, on behalf of my colleague from Richmond—Wolfe and pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the activities of the Canadian section of the International Association of French Speaking Parliamentarians at the meeting of the board and commission for co-operation and development held in Berne, Switzerland from January 19 to 25, 1992.

[*English*]

ENVIRONMENT

SECOND REPORT OF STANDING COMMITTEE

Hon. David MacDonald (Rosedale): Mr. Speaker, pursuant to Standing Order 108(1), I have the honour of presenting, in both official languages, the second report of the Standing Committee on the Environment entitled *Environment and the Constitution*.

The report received the unanimous support of all members of the committee. The committee commenced its study in June 1991 in the context of a broad constitutional debate with particular emphasis on the future role of the federal government in environmental matters.

Members will know the environment knows no borders. Water pollution, ozone depletion, global warming and other similar issues are extremely complex both in terms of causes and solutions.

The committee strongly advocates partnership and co-operation among all levels of government. Mechanisms must be established to encourage and strengthen partnership and co-operation and to avoid unnecessary and expensive overlap.

Our committee also believes there is need for a strong federal power to negotiate international commitments and agreements. It is very important in the present context of the lead-up to the earth's summit.

Further, the residual power, peace, order and good government must be recognized as a basic foundation enabling the federal government to deal with environmental needs.

[*Translation*]

I thank members of all three parties for their patience and dedication.

[*English*]

Pursuant to Standing Order 109 the government's response is requested.

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

Routine Proceedings

CANADA EMPLOYMENT AND IMMIGRATION ADVISORY COUNCIL

MEASURE TO ENACT

Hon. Monique Vézina (for the Minister of Finance) moved for leave to introduce Bill C-63, an act to dissolve or terminate certain corporations and other bodies.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mrs. Vézina (for the Minister of Finance), moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

PETITIONS

VICTIMS OF CRIME

Mr. John Brewin (Victoria): Mr. Speaker, I have a petition signed by a number of residents of the Victoria area calling on this Parliament to adopt Bill C-310. Unfortunately in private members' hour yesterday the bill did not receive the approval of the House and falls from the Order Paper.

The sentiment of those petitioners should be filed with the House. The bill called for the establishment of a criminal injuries compensation plan, and I can assure the House and the petitioners that it is my intention to reintroduce the bill in the hope the House will have an opportunity to again do the right thing.

JUSTICE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my petition this morning has been sent to me by citizens of Mississauga and deals with the nasty murder of Nina de Villiers on the night of August 9, 1991.

A crime was committed by a person who, while on bail, was allowed out on a simple signature without any great posting of money. The situation calls for reform of the Bail Reform Act of 1972 and the Parole Act or other statutes, and the better enforcement of the current rules by our police forces and others involved in law enforcement.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I would like to present a petition with 38 signatures with regard to the murder of Nina de Villiers on August 9, 1991 which has exposed serious deficiencies in the criminal justice system.

There are many vulnerable persons who have little protection under the current system. Women, children and disabled persons are particularly at risk. Therefore, the statutes governing the criminal system in Canada should be revised to reflect societal attitudes.

These petitioners request that Parliament recognize that crimes of violence against the person are serious and a harm to society and ask that the Criminal Code be so amended.

• (1040)

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I too have petitions in support of the parents of Nina de Villiers signed by a number of my constituents from Caledonia, Hagarsville, Dunville and surrounding area.

These petitioners are requesting Parliament to recognize that crimes of violence against persons are serious and abhorrent to society and to amend the Criminal Code to help deal with these situations.

GASOLINE PRICES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have the pleasure of introducing a petition to this House, signed by many of my constituents as well as constituents of Nepean, Osgoode, Gloucester, Lanark and area.

These constituents are disappointed with the gasoline prices in the Ottawa–Carleton region and are calling on the government to take action in order to correct this injustice.

JUSTICE

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I too am pleased to present a petition which was triggered by the death of Nina de Villiers in August 1991.

A large number of the people of Sudbury have signed this petition. They want to underline their concern about the criminal justice system and the fact that the sentencing of many violent criminals does not reflect the seriousness of the crimes they commit.

The petitioners ask that amendments to the Criminal Code, Bail Reform Act and the Parole Act be made to recognize the seriousness of these crimes.

HOUSING

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I have a petition here from a number of residents of Sudbury. They are residents of a co–op housing project. They underline their concern with the lack of affordable housing for many others.

Their petition is especially important at this time when this particular government has announced that it will completely go out of the co–op housing market. These people are asking very seriously that this government remain in the subsidized housing area because there is a lack.

TAXATION

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I am pleased to present a petition today signed primarily by residents of the central interior of British Columbia, Williams Lake, 100 Mile House, 150 Mile House regarding tax fairness.

The petitioners call upon the government to ensure that it brings in an effective and fair tax system in Canada.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 110 could be made an Order for Return, this return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Question No. 110 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 110—**Mr. Boudria:**

Since 1984, how many contracts has Secor Inc. entered into with (*a*) the government (*b*) crown corporations (*c*) government agencies and, in each instance, for how much and for what purpose?

Return tabled.

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Is that agreed?

Some hon. members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

SOFTWOOD LUMBER INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I will be brief.

Members will know that yesterday I appealed to Your Honour, given the very important and unfair decision on Friday by the U.S. commerce department on the softwood lumber tariff on exports from Canada to the United States and the importance of that issue to all of Canada and the over 300 forest communities whose jobs will be potentially threatened by this decision.

At that time, the ruling was to give consideration to how this issue would develop. Since yesterday, when I raised this matter in the House for an emergency debate, the issue has escalated dramatically. We know cabinet is meeting to consider retaliation against the United States. This is quickly escalating into a dramatic trade war between our country and the United States.

Given that the government is considering what actions should be taken, if any, against the United States in an attempt to defend our sovereignty and our right to make our own decisions in the way we manage our forests in Canada, I think it is opportune and timely that this House have an opportunity to present its opinions and comments so that the Prime Minister can hear what Canadians have to say about this issue.

I would again urge you to consider this matter seriously to give the House and all members an opportunity to have their say on this very important issue.

The Acting Speaker (Mr. Paproski): I know the hon. member presented his case yesterday and also again today. The Chair is looking at it as the day progresses. I know the table officers and the Speaker particularly will be looking at it. At this time we would like to reserve and to have another look at the application.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, February 27, consideration of the motion of Mr. Mazankowski that this House approves in general the budgetary policy of the government; and the amendment of Mr. Gray (Windsor West) (p.7631).

The Acting Speaker (Mr. Paproski): Before I recognize the hon. Minister of Veterans Affairs, because of Statements by Ministers the sitting of the House will be extended 27 minutes during the lunch hour.

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, it is my honour to take part in the budget debate again today and to speak to Canadians about the importance of this government's fiscal plan as outlined by the Minister of Finance on February 25 in this very Chamber.

At best, the debates in this House combine partisan differences with healthy exchange of views and ideas and allow the public to gain some perspective on what the issues are and how we as members of Parliament approach those issues.

We as a government have just produced a document in the form of the budget that in many ways sets out our philosophy. The vast majority of those who follow government and political issues think that this budget document is a very positive approach to managing the Canadian economy in these difficult times.

Our country faces a very serious threat to its economic future in the form of a large accumulated debt. Let us all be honest and admit that. We are spending 36 cents out of every tax dollar just to pay the interest on our accumulated debt.

To pay 36 per cent of all of your family income to service your own personal debts would cause a family crisis. It is a crisis for our Canadian family as well. If we do not exercise control of our spending, we will destroy our ability to build a solid future for Canada.

I know there are some members who feel that our present difficulties are so great that they must be tended to on a crisis basis. I know that people have immediate needs and they are hurting. But we have to realize that the problems of a debt plagued economy can never be

solved by more spending any more than the problems of an alcoholic can be solved by more alcohol.

I have heard members of the New Democratic Party calling for the expenditure of several billions of dollars for job creation. I know a proposal of that sort always has a certain appeal.

One of the features of an opposition party is that it desires to paint the government as one that does not care about the unemployed and the problem of unemployment could be solved if only the government cared enough to spend a few billion extra dollars.

In this case our government would have to borrow those billions of dollars and ultimately pass the responsibility for repaying it to our children and to our grandchildren.

There had been a time when Canadians thought we could go on a spending spree and isolate ourselves from a world-wide recession. Today, however, the unpaid bills of the past have effectively eliminated our room to manoeuvre. Had our predecessors been wiser today we would have had tens of billions of extra dollars each year to spend on those kinds of experiments, but they were not and we do not.

Some opposition members seem to feel that we should be further mortgaging our future for the sake of short-term gain. To those members we can only recommend the example of the premiers of Ontario and British Columbia. The former tripled his deficit and achieved nothing. The latter has now adopted the common sense approach to expenditures that some members of the socialist party have been known to call heartless.

It is not heartless to put long-term stability of Canada ahead of the futile public relations exercise in more government spending. We all must realize that the role of government is to get the fundamentals of the economy right so that people find long-term, meaningful, productive jobs in the private sector.

• (1050)

We cannot throw away the long-term interests of all Canadians to solve what we think will be short-term problems. Bringing spending under control is a very long and agonizing process. We are forced to balance the present needs of Canadians against the long-term needs of our country.

This budget represents that balance. Some members would seem to prefer that with one breath to protest the decreases in expenditures we have made and then condemn us for not doing enough to lower the deficit.

If I understand the position, we should increase spending, decrease the deficit and lower taxes simultaneously. I am sure that plays well with the dream merchants but it does not provide much substantive input nor does it help Canadians to face up to economic realities.

I should like to make a few comments about my own department, Veterans Affairs Canada. In this budget we have tried to balance the needs of our clients, the veterans of Canada, with the necessity to control spending. Some areas have been increased and others decreased.

There has been a $22.5 million decrease in war veterans allowance as a result of declines in the client population and shifts to other sources of support in the social safety net of our country.

At the same time as our veteran population ages, however, its health care needs increases. We have made an additional $100 million available for those needs through purchases of new services, construction of new long-term veterans beds and increased funding for the Veterans Independence Program. At the same time we have increased disability pension benefits by nearly $65 million.

These measures are an indication of the very sensitive way in which we have tried to control expenditures.

[*Translation*]

Veterans risked their lives to preserve our country's freedom and independence and in return we provide them with the best programs and benefits in the world.

As Minister of Veterans Affairs I am proud of these achievements and Canadians should be proud of them too.

[*English*]

We in Canada have the best veterans affairs programs in the world.

Over the last year we have spoken with many Canadians about what the 1992–93 federal budget should do for Canada. These Canadians from every walk of life told us that they want realistic lasting solutions to Canada's economic problems and not quick fixes that were tried in the past and failed.

They want us to cut the deficit. They want us to cut government waste and duplication and to streamline government operations. They want us to better prepare our youth and our labour force to meet the challenge of a brand new global economy in which we find ourselves competing. They want us to be compassionate and caring with our social programs, especially protecting the more poor and needy Canadians.

This government listened and responded with action in these very difficult times.

In this budget we will substantially reduce the deficit. We will cut spending. We will cut taxes. All 14 million Canadian taxpayers, 1.5 million in my own area of Canada, Atlantic Canada, will have their income taxes reduced this year.

We will restructure and streamline the operations of government. We will increase support for research and development in our industries, in our economic sector. We will reduce the tax burden from manufacturing and the processing sector. We will enhance our assistance to small business.

We will streamline and enrich support for families and for children and we will introduce a home buyers program whereby Canadians can access funds from their RRSPs to buy or build a home. We will increase our support for Canadians with disabilities and we will provide additional tax assistance to our students.

This is what Canadians asked for in our consultations. Canadians asked, we listened, and we delivered.

This is an appropriate budget for Canada in these trying times. I support it and I call for all members of this House to do so as well.

The Acting Speaker (Mr. Paproski): I would like to clarify that the two speakers with 10-minute speeches will be the hon. Minister of Veterans Affairs and the hon. member for Manicouagan. There will be five minutes for questions and comments.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I wonder if the minister could answer a question. His government is either getting rid of or reducing a number of agencies.

Let us take the Economic Council of Canada. Does the government really think that getting rid of the Economic Council is sound public policy at a time when our economy is in enormous difficulty largely because of the policies of this government?

I will try to make this simple. A friend of mine who has six children told me the other day that the government has ruined our natural resource exports by its high dollar and formerly high interest rates.

The government is now spending about 300,000 ounces a month of the Bank of Canada's gold in an attempt to try to keep the dollar above 84 cents currently and in an attempt to try to fool Canadians into thinking that it has reduced the deficit, which of course it has not.

The government's spending has been about $30 billion a year during six or seven good years.

There is an old saying that nobody ever went broke underestimating the intelligence of the American people. I would put it that this minister and his government are treating Canadians as if they were all completely and utterly illiterate in terms of the economy.

I wonder if the minister can give some intelligible answers to those questions.

Mr. Merrithew: For seven years now this government has tried over a period of time to reduce the duplication in government, to avoid some of the expenditures where we can save dollars, the taxpayers' dollars. That is what the people of Canada have asked for and we have been doing it over a period of time. Most Canadians support that.

In this particular budget we have indicated that we can reduce or amalgamate 46 different agencies, boards and commissions of the government, all of which costs the Canadian taxpayers a great deal of money. Now some people may wish to debate whether some of those are wise decisions or not.

In my case, in my own department we have abolished the Veterans Land Act simply because we have not given any additional loans or mortgages to the veterans of Canada since 1977. We have essentially reduced that whole operation by 80 per cent even in the last three or four years.

Sometimes it is found that there are agencies in government like the Farm Credit Corporation. Because many of these properties bought through VLA by our veterans after the war are farm properties, perhaps CMHC can manage those.

We can find a way to reduce 64 positions and save the government and the taxpayers of Canada a lot of money. We have chosen to do that and in fact, in this particular budget, we have reduced 46 of those operations.

The hon. member knows full well that from time to time every government in the history of Canada has had to support the Canadian dollar and bolster the dollar for obvious economic reasons. He knows that full well. To try to say that has never happened before under the party which he represents is of course absolute nonsense. He knows this happens from time to time.

The dollar of course has gone down. Those who would like to export must have the Canadian dollar at a lower rate or would like to have it, but there is a limit to what the dollar level should be and the government has to intervene on occasion.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, two weeks ago today, the Minister of Finance tabled the budget of the Government of Canada for the 1992–93 fiscal year in the House of Commons. This budget sends positive signals to all Canadian taxpayers and to the business community.

• (1100)

Let us take the next few minutes together, Mr. Speaker, to look at the highlights of this budget for fiscal 1992–93. First, the budget brings big reductions in personal income tax. For many years, Canadian taxpayers were used to seeing their taxes go up year after year, budget after budget, under successive federal governments. On February 25, Canadian taxpayers for the first time heard their Minister of Finance announce income tax cuts.

The individual income surtax will be reduced from the present 5 per cent to 4 per cent as of July 1, 1992 and 3 per cent as of January 1, 1993. This measure will give Canadians $500 million more in after tax income in fiscal 1992–93 and $1.2 billion a year after that.

The most important point is that all 14.6 million Canadian taxpayers will benefit from this measure. Undoubtedly it will help the Canadian economy recover because it will give Canadian consumers more spending power so that they can acquire goods that they had been planning to buy for years but had postponed buying because of the difficult conditions in the Canadian economy. This tax measure in the budget will now help these people acquire goods that they have needed to buy for years. This is excellent news for Canadians.

The second important measure announced in the budget will allow withdrawing up to $20,000 tax-free from a registered retirement savings plan to buy or build a principal residence. This measure, together with the current low interest rates, should encourage many Canadians to buy or build a home. It should stimulate a major recovery in the construction industry and in real estate sales.

Home building creates jobs and provides significant economic benefits in businesses that sell construction materials, hardware and electrical equipment, and of course it stimulates job creation as well.

Home ownership is a right with a very long tradition in Canada. Use of a portion of a registered retirement savings plan to buy or build a principal residence will contribute to facilitating access to home ownership.

The Minister of Finance also announced tax breaks for the manufacturing and processing industries. It must be noted that the manufacturing industry provides one job in five in Canada and accounts for one-fifth of the total production of goods in the country. Canadian processors and manufacturers export over 40 per cent of their production. They must now meet the challenge of globalization. To help them meet this major challenge, the Minister of Finance proposed in the budget that the tax rate for profits derived from manufacturing and processing be lowered from 23 to 22 per cent as of January 1, 1993 and then to 21 per cent on January 1, 1994.

This is another positive measure that will allow for Canadian manufacturers and processors of new products, for technological change and for investment in new market research.

Small businesses will also benefit from positive measures announced in the budget.

The Small Business Financing Program will help small businesses in financial difficulty, including farmers, to obtain loans at lower interest rates.

At the present time the ceiling for loans to individual small businesses under the Small Businesses Loans Act is $100,000, but under the new budget it will be doubled to $200,000.

It is a fact that small businesses are the key to the healthy growth of Canada's economy, including job creation.

Although the federal tax treatment of small businesses is among the most favourable in the world, the changes announced in the budget will make it even more favourable.

This is a measure that will be favourable to small businesses and is expected to encourage investment in the many sectors of our economy in which small businesses are particularly active.

I would also like to say a few words about the program to improve family allowances. In recent months, a committee of members of our party, chaired by the hon. member for Calgary North, prepared a series of recommendations aimed at improving and increasing the effectiveness of federal assistance to Canadian families.

These suggestions were given due consideration, so much so that now there will be one monthly child benefit. The benefit will be as much as $144 per month for one child, for a total of $1,733 per year. Benefits will be targeted toward lower and middle income families and will not be taxable.

There have also been major improvements in the child care expense deduction. This measure should help low income families where both parents work.

These are the positive results of the work done by a group of members sitting on this side of the House, results that reflect the response their work received from the Minister of National Health and Welfare and the Minister of Finance.

Taxpayers may wonder how the government intends to finance the measures announced in the budget. The answer is simple: the government will pay for these tax measures by continuing to reduce spending, streamlining services, eliminating agencies and advisory committees, and privatizing Crown corporations.

This government will continue its efforts to reduce the deficit and the debt. It will reduce government bureaucracy, encourage private ventures and help business develop new products and reach new markets.

More important, the budget introduces measures that will help reduce personal income tax and the corporate tax burden, something unprecedented in Canadian history.

Canadians welcomed these measures with enthusiasm, which augurs well for economic recovery and job creation.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I want to thank you for giving me a chance to speak in this important debate on the budget brought down by the Minister of Finance.

• (1110)

You know, Mr. Speaker, this budget is trying to fool Canadians. It offers us fine words but does nothing to improve the country's economy or to help the millions of Canadians who are victims of this government's policies to pick themselves up and regain control of their lives.

For example, the government claims that this budget will reduce taxes for Canadians who are still suffering from the effects of the 33 tax increases, including the GST, that the government imposed on them. However, Canadians are not stupid and when they look at this budget closely, they will realize that the government is trying to trick them.

Indeed, what does this budget offer Canadians below the poverty line, those who have to make do with an annual income of $15,000 to support their family? Well, I will tell you: It reduces their income tax by $2 a year. For an average family earning about $40,000 a year, the budget offers a $27 reduction. That is not much.

The new child benefit program, for its part, is hardly better. An average family gets little from this proposal. For example, a family with an annual income of $40,000 will receive only $44 more in benefits. In three years, the value of this benefit will be 10 per cent less and in ten

years, most families will no longer receive any assistance since this benefit is not indexed to inflation.

The government's proposal will increase aid to children by $2.1 billion over five years starting January 1, 1993. The Minister of Finance must hope Canadians have forgotten that between 1986 and 1991 the Conservative government reduced this aid by over $3.5 billion. The new child benefit program still does not give back to Canadian families all the money that the government took from them, and this program completely misses the boat as far as day care is concerned.

All this government's advertising about this new program hides the obvious fact that it has abandoned the commitment it made to a national child care program that would provide facilities for children while their parents had to work.

In addition, the government is proposing to increase the deduction for child care expenses by $1,000, but obviously this deduction is of no use to families whose income is too low to benefit from it. Furthermore, this program will not take effect for a year. If it provides additional benefits, these will not be made available to Canadian families at a time when they are suffering the consequences of this very serious recession brought on by this government.

On the positive side, the government saw fit to take up the Liberal Party's recommendation on using registered retirement savings plans for buying a first home. Unfortunately the Conservatives neglected to include all the details of this proposal. Besides, when we see how they treated housing, the positive feature of this budget pales by comparison. The Conservatives cancelled the co-operative housing program. They slowed the growth in funding which the Canada Mortgage and Housing Corporation provides for other low income housing programs.

Of course the possibility of using RRSPs and the lower down payment requirements will be useful, but these programs do nothing to help people who cannot afford to invest in RRSPs or even make a 5 per cent down payment to buy a first home. Instead of making it easier for tens of thousands of low income Canadians to own their own homes, this budget makes it much harder for them to have access to decent and affordable housing.

As far as education is concerned, this budget has very little to offer. The government slightly increased education tax credits from $60 to $80 per month of full-time study in a post-secondary institution. However, the budget contains no measures to restore the amounts cut in transfers to the provinces for post-secondary education.

These cutbacks mean that far fewer young people will be able to go to university next year. In fact, an increase in the tax credit for post-secondary education will not be much use, if young Canadians cannot be admitted to university because of cuts in transfer payments to the provinces for post-secondary education, since universities will have to reduce the number of students as a result of these cuts.

Mr. Speaker as you know, the Conservatives have been boring us with their empty slogans ever since they came to power, calling for the country to invest in education and research so it will be better able to meet the challenges of an increasingly competitive world. However, what they are saying does not mean a thing, because when we look for concrete commitments in these areas, we soon realize they are involved in a scorched earth operation and are busy turning this country into an empty shell.

The budget is apparently changing the tax system to benefit the corporate sector. However, whatever this budget does to help business will never compensate for the tremendous harm the Conservatives have done to business, especially in the manufacturing sector, with their high dollar and high interest rate policies.

This budget has taken no steps to reduce interest rates. Nor does it address the need to reduce the value of the Canadian dollar. The government seems to want to keep our dollar high, despite protests from companies in the resource sector and from manufacturers who claim that a lower dollar would help make them more competitive on international markets.

The government's attitude has had a devastating impact in my riding. The government's economic policies have wreaked havoc in the forestry sector in my riding, leading to 300 lay-offs in Atholville, while 400 are scheduled at the plant in Dalhousie. Nevertheless, the government stubbornly maintains its disastrous policies.

When the government talks about basic principles, I find it very hard to take it seriously. How could I when this government refuses to admit in the budget that there is anything wrong with basic principles which are aimed at maintaining interest rates and the Canadian dollar at current levels and goes against the best interests of Canadian business? The same government also refuses to acknowledge that the GST and the free trade agreement were a terrible mistake.

As you know, Mr. Speaker, this government's economic policies have led to record levels of personal and business bankruptcies in Canada. There can be no economic growth until businesses are able to develop in an environment that is relatively stable and healthy.

[*English*]

I want to outline some of the effects of the budget as it pertains to my riding, the riding of Restigouche—Chaleur in northern New Brunswick.

As I mentioned previously, the Atholville mill is on a permanent shutdown. We are hoping that it will be reopened, but we are looking at 300 lay-offs in that area. The Dalhousie mill is looking at 400 lay-offs. It may even be as high as 500 before time is out.

We have businesses that are going bankrupt. In fact, I spoke to a senior citizen yesterday who is trying to make ends meet with a restaurant in Tide Head in my riding. Mrs. Joyce Mabie, when we spoke for about half an hour, mentioned some of the problems that she is having with her business and some of the help that she needs. Adjacent to my riding, at Stone Consolidated of Bathurst where a lot of my constituents work, there is a possibility that mill may close as well. Therefore, the budget that we see before us does not give us any solutions to those types of problems. It does not give us any hope.

• (1120)

What I am trying to say today, and I hope government members and ministers will be listening, is that we need some assistance. We need the government to start stimulating the economy and it has not been doing that. It has been doing the opposite in some respects.

What we need in our riding at the Dalhousie mill is a new paper machine. I do not expect the government to say it is going to buy a new paper machine for the mill in Dalhousie, but I expect it to make it easier for that company to be able to purchase a new machine, to be able to invest in new machinery. I would hope that the government would sit down with company officials and look at that situation in a realistic fashion and say: "What can we really do to help with the Dalhousie situation?"

There is a similar situation in the Atholville mill. We need that mill reopened. We need a value added product there. It is now making chlorine-free pulp. There should be a market out there. The dollar has fallen slightly and there should be a reason to reopen that mill in the near future.

The province of New Brunswick has developed a plan to help the forestry industry in New Brunswick. It is a controversial plan in some respects, but the federal government has not really sat down and said: "This is what we want to do for the natural resource sector". What is its plan? That is what we are asking the Government of Canada to do. It has that responsibility.

There should be a diversification agreement specifically for the northern New Brunswick areas, not just to get those mills back on line but to assist the unemployment rate in my riding which is 18.2 per cent. There are other people out of work as well. There should be some type of strategy, some type of plan put in place to assist those people to get back to work.

There should be more federal presence in the riding. The existing federal presence should remain. There should not be any cutbacks. The Chaleur airport has been threatened with a cutback. There should be no diminution of services at the Chaleur airport.

Post offices should remain open. They should not be closing. What type of signal or message is being sent out to the business community? If the government is withdrawing services from an area, what confidence does this give to businesses to continue to expand, or even to stay in business?

The ports of Dalhousie and Belledune have no strategic plan. There is no development, no promotion of those ports by the federal government. That has to be done.

The wharfs at Pointe-Verte and Petit-Rocher need upgrading for fishermen.

Turning to municipal infrastructure, I was on the phone yesterday with the mayor of Jacquet River. He is looking for financing. They have some financing available from the province and from their own community to put water and sewage in their community. Why is the federal government not making plans to assist those types of communities?

When we are talking about some of these plans the rhetoric from the government is: "Those are short-term solutions. We are putting in place long-term solutions". Well, short-term should go with long-term. A very direct example of that, and I hate to use medical examples, may be someone suffering a heart attack that may have been caused by a poor diet arriving at a hospital. They do not put them in a little room and say: "Here is your diet. Follow it". They treat the patient right away. This is what we need right now. The economy is a patient and it is going to die if we do not treat it immediately.

We definitely need long-term solutions. But the patient is in intensive care right now. We need compassion and we need solutions immediately.

Another area that is of great concern to me is the area of severance pay for some of these employees who are going to be put out on the street. Their severance pay is regarded as earnings and therefore makes them ineligible for unemployment insurance. I would hope that the government would look on that as a short-term measure and maybe change the regulation to allow people to draw their UI and use the severance pay to either invest in business, to open their own business, or to at least make ends meet in the meantime while they are pursuing employment.

Speaking about employment and immigration, the Minister of Employment and Immigration recently made an announcement in the riding with regard to a major project. I congratulate him on that and ask him to continue in that vein. No doubt, we always want more. There are other projects. That was Recreaplex in Dalhousie, but we do have a major project in Campbellton, the civic centre in Campbellton. The Eel River Bar Reserve is looking for a major project, a community centre-office building complex for the Jacquet River, St. Quentin and Beresford areas. I would hope that the minister would look upon those projects with compassion, flexibility and assist those areas.

I guess my time is almost at an end. I would like to say that one of the problems when we look at the budget is not necessarily what is in the budget. It is what is not in the budget. That is the key.

There is no new plan for recovery. There is no new deal for Canadians. There are approximately 1.5 million people out of work. There are approximately another 1.5 million people out of work and not looking for work. The real statistics when we talk about unemployment are that there are three million people out there who are unemployed.

There is no real plan to put those people back to work. In fact, there is a cutback in employment and immigration in job creation programs. That is a concern of mine. There is no hope for the unemployed. The government is saying: "Listen, we have accepted you. You are unemployed. There is nothing we can do".

I say to the government, through you Mr. Speaker, that the budget has to be redrafted with compassion and flexibility. The government has to understand that there are areas that are suffering. My area, for instance, has an 18.2 per cent unemployment rate. That does not make sense in this day and age.

Canadians need a new deal. Enough is enough with regard to the deficit. It is a problem but I guess the biggest deficit that we have is the deficit of new ideas.

I think about my colleague from Broadview—Greenwood. I saw him on TV on the weekend expressing his ideas with regard to taxes and his idea about the single tax. I am not saying we are totally in support of it, but why not look at this new idea?

I should say, in wrapping everything up, Canadians need a new deal. We need a new budget and definitely we need a new government.

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, I want to thank our hon. colleague in the opposition whose role it is indeed to discredit government action.

However, the comment most often heard today is that government is not giving enough, which would tend to indicate that it has nonetheless managed to give something and to take concrete steps.

I think it is important that I rise today to help the people in the galleries, as well as those who are watching this debate at home, make allowances for what they hear from the opposition whose role it is, after all, to raise problems and mention negative aspects that do not necessarily exist.

What must be said, in my opinion, is that the budget recently tabled by our Minister of Finance meets the expectations and comments made to us in our ridings. Our constituents have requested realistic, lasting solutions to both economic and social problems, not quick fixes.

I must remind this House that upon coming to office our government inherited a $206 billion debt. That is what makes it impossible at the present time for the government to balance its budget strictly from the point of view of its annual revenue and expenditures. Had we not inherited this debt in 1984, we would have a $25 billion operating surplus by now. That is a lot of money.

What this means for our constituents is that in this system of ours the money they pay in taxes would be enough to finance all existing social and economic programs.

• (1130)

Unfortunately we inherited a huge debt and the recession that is going on in Canada is not exclusively made in Canada.

Even if he sits in the opposition, my hon. colleague will recognize that our partners, starting with the United States, also experience serious economic difficulties that have consequences, not only in the United States but also in Canada. We know that in Europe there are social and economic adjustments that create difficulties and that have consequences on everything that is called world markets.

I would like to tell my colleague that even if he thinks manufacturers or small businesses in his riding are not pleased, the comments that we heard go totally against what he advocates. For instance, the president of the manufacturers' association—this is not a small business person; this is the person representing all manufacturers—Mr. Richard Le Hir mentions three measures that our government implemented in the last budget to promote economic recovery. Among other things, Mr. Le Hir said: "The accelerated capital cost allowance on machinery, the lowering of the manufacturing tax, as well as the $230 million budgeted for research and development are three concrete measures that must be applauded". Again those are the words of the president of the manufacturers association.

The minister of finance of Quebec, Mr. Gérard D. Lévesque, who is not necessarily an unconditional supporter of our government, said that he was generally pleased with the federal budget, adding that the budget enabled Ottawa to reduce its deficit while helping the Canadian and Quebec economies to again experience a growth.

Those are a few examples. You are telling me that my time is up, but I would simply like to tell the voters that are listening that the opposition fulfills its role; it is there to say that this is a botched job. However, the population does not agree with the opposition.

Mr. Arseneault: Mr. Speaker, I simply want to tell my colleague in the government that the unemployment rate in my constituency stands at 18.2 per cent. If you look at the budget that was just tabled in the House, you will see that the budget for the Department of Employment and Immigration was reduced by $177 million, mainly in the job creation and vocational training sectors. That says a lot.

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I want to congratulate the hon. member for Restigouche—Chaleur on the compassion in his speech. I know that he understands, and every member of this House should understand, that if there was ever a time when there should be some empathy and some sympathy and some feeling and some concrete measures to be taken for the people of Canada, it is today.

The hon. member mentioned Stone Consolidated at Bathurst. I want to tell him that just within the last few days, last Friday, Stone Consolidated announced the closure of the mill at Braeside, just about 43 miles up the Ottawa River from Ottawa, and it means the loss of 160 jobs in total.

About 10 days ago Storwal International in the city of Pembroke announced bankruptcy with 250 employees being put out of work in the next few days.

It is a desperate situation and I am glad that the hon. member for Restigouche—Chaleur highlighted his speech this morning with that empathy and that feeling for people out there.

On Saturday morning at a meeting in Pembroke there were people sitting there, employees of Storwal International, tears in their eyes, at a total loss as to how they are going to pay their mortgages or make their car or truck payments. And this comes on top of the collapse of the lumber industry in the Ottawa valley generally.

As the hon. member for Restigouche—Chaleur knows, there is a lot of comparison between the economy of his area and the economy of the area that I represent.

I am sure that this is another figure that would relate to his case as well. In 1991 in the county of Renfrew and the immediate surrounding townships, $50 million was paid out in unemployment insurance. The welfare budget in a small village of 1,400 people has increased 2,000 per cent over a year ago.

I want to join the hon. member for Restigouche—Chaleur in stating that I do not know how this can go on without this Parliament and this government doing something about it.

It is not a case of lambasting one another any longer in this House. It is a case of what are we going to do for those people out there who stand to lose their homes. They have lost their jobs. We have people 50 years of age who have worked in a mill or a factory for 20 to 25 years. Where are they going to go? We have the older workers program. I certainly hope it applies because I am going to be attempting to make use of it.

There is an attempt on the part of the employees of Storwal International to try to buy the plant and they have been putting forward a mammoth effort. I would like to call upon the government and the Department of Industry, Science and Technology to give these people some assistance to really try to work with them in setting up a new structure.

I see that the Minister of Supply and Services is in the House today. In keeping with the empathy and the seriousness of this situation out there, I want to say that I stopped at the truck stop on Highway 17 at Antrim on the way down yesterday morning. There were two men there, truck drivers who had just finished delivering a load of furniture to the Government of Canada, purchased through the Department of Supply and Services. That was the last load of furniture that would be coming down from Storwal International to the federal government.

I want to say that at least the federal government was buying that product, a Canadian product. I think that is the emphasis we have to go on. I know that the Minister of Supply and Services, when I make this representation will know that it is a very serious one and that he takes these things very seriously.

If we are going to be lambasted by the Americans at this particular time for the sake of an American election, I think it is time to really get aggressive about buying Canadian. I hope that the cabinet comes in with that decision. I for one, and I am sure that people on this side of the House, will be totally in consort with that because we have to stand up and be counted as Canadians and fight for our Canadian people.

I thank the hon. member for Restigouche—Chaleur for his excellent input.

Mr. Arseneault: I would like to say first of all, if we can go back a little bit, in 1984 the Conservatives campaigned on fiscal responsibility. They said they would put the fiscal house in order.

Now here we are so many years later and all we hear every time we talk about fiscal responsibility is: "Oh, well, we inherited a debt". If they cannot put the house in order, they should not be there. It is as simple as that. If they have given up, tell us that they have given up and get out of office. It is as simple that.

There is another point I would like to make when we talk about compassion. There is a quote I would like to leave the House with, which says simply:

> We shall be judged both as individuals and as a society by the manner in which we care for those unable to care for themselves.

That is a direct quote from our present Prime Minister in the book *Where I Stand*. I would hope that he will go back and read those words and think about the unemployed people of Canada.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased to take a few minutes today to participate in this debate on the budget.

First, I would like to congratulate the Minister of Finance for staying the course and continuing to cut government expenditures, for lowering the deficit and most important for cutting personal income tax. It was a prudent approach.

• (1140)

The minister resisted the demands to spend more, to use the fiscal and tax measures to stimulate the economy. The member for Vegreville travelled about the country, from coast to coast.

He visited and talked to experts, to agencies, to his provincial counterparts and to the people. He talked to the taxpayer because there is only one taxpayer. He talked to the consumer, Canadians from all walks of life. He listened and he listened, and he took the ideas, the advice and the concerns. After much in-depth thought and planning he responded.

This budget cuts spending to cut taxes and boost economic growth. It also ensures deficit reductions for 1992 and beyond. This government remains on course in the direction that we have set over the past seven years. The tough measures that we have taken in the past are starting to pay off.

In personal income tax cuts the surtax will be reduced by 1 per cent in July 1992 and another 1 per cent January 1993. This move will put over $500 million back into the economy this year and more than $1.2 billion next year.

The home buyers plan allows RRSP withdrawals up to $20,000 for a person to buy or build a home. The borrowed funds must be repaid within 15 years in annual instalments. The property may be a house, a condominium or a share in a co-operative unit located here in Canada. The plan will be available for one year.

This budget also encourages initiative, productive investment and growth by reducing the tax burden on manufacturers and processors. We will provide new support for research and development and more generous financing for small business.

Now the manufacturing and processing tax rate will drop from 23 per cent to 22 per cent in 1993 and down to 21 per cent in 1994.

Another important area is the capital cost allowance on equipment for those specific areas, manufacturing and processing. It will increase from 25 per cent to a 30 per cent write-off. The new support for research and development will be $230 million over five years.

Government spending is going to be cut by $1 billion in 1992-93 and by $7 billion over the next five years. We will save $2.2 billion on defence spending over the next five years. Also, cuts to departmental operating budgets are going to save $150 million next year and each year after that.

Travel and departmental communications budgets, ministerial salaries and the salary of the Prime Minister will be cut.

To streamline the operations of government 46 agencies, boards, commissions and advisory bodies are going to be eliminated, consolidated, deferred or privatized.

Canadians want less government and they want better service. We have to make it easier for business and individuals to deal with the government and that is just what we are going to do.

The deficit for 1991-92 is forecast at $31.4 billion and that is up from our target which was $30.5 billion. It is true, the recession has played havoc with the accounts. The budgetary revenues for this year and next year are down approximately $4 billion and $7 billion respectively from our projections. This sends an even stronger message for tighter controls and more government cutbacks.

The Minister of Finance did not cave in to the demand to spend, spend, spend which we just heard from the previous speaker. That would be truly disastrous.

When we formed the government in 1984 we designed our first budget around a plan called an agenda for economic renewal. This was the framework for a gradual reduction of the deficit and cuts to expenditures. We should have acted more aggressively during the buoyant years and I accept that, but we have continued to follow the guidelines that were established in 1984 and they are producing results.

One particular area is the importance of the inflation figure. Last year's budget contained targets which seemed really unrealistic to people sitting across the way, but they have been exceeded with the strong co–operation of the Bank of Canada. Inflation is presently under 2 per cent. Interest rates are down and hopefully they will drop even further in the coming weeks. Today we have legislated spending controls of 3 per cent on government programs. Today we have legislated debt servicing in a reduction fund where the GST revenues flow to service the debt and pay down the debt. It is by law and it is retroactive to April 1, 1991.

I would like to comment on the child benefit package that came out with the budget. I want to congratulate my colleague from Calgary North who worked for almost two years chairing the family caucus to implement fairer tax treatment for families with children.

The new enriched child tax benefit to be implemented next January is streamlined, responsible and better targeted. This new child tax benefit will be based on family income paid monthly mostly to mothers for children under 18 years of age. This particular benefit will not be taxed and will be aimed at single parent families and families with incomes below $70,000. It will be simpler, it will be more generous and it will be fairer. It will put about $2.2 billion more into the child assistance benefits over the next five years.

This one monthly child tax benefit can be as much as $144 per month per child or a total of $1,733 per year, non–taxable. Also the maximum child care expense deduction will be increased by $1,000 to $5,000 for each child under age seven and $3,000 for other eligible children.

Also beginning in 1993, common law couples will be treated the same as married couples. Again I congratulate my colleague from Calgary North.

What can we afford? That is what this budget is all about. The advice to the government from all people from coast to coast has been to reduce the deficit, reduce inflation and reduce interest rates. The minister in this, his first budget, has shown that he has listened not just to elected officials, not just to people in the bureaucracy, but to the taxpayers. He has taken important steps to bring more order to government finances.

The inflation target is well below what we anticipated last year. While it has been tough to get down, the deficit is working its way down. In 1995–96 the government will no longer have to borrow outside and we can start paying down the national debt. A lot more work has to be done and we realize that.

It is interesting. We were wrong when we announced last fall that the recession was over. That was a mistake and I admit it. Inflation is at a 20–year low. Interest rates are below 9 per cent which means mortgages and the cost of borrowing are lower and that was no mistake. We worked at it and we got it. We should have reduced the deficit far more quickly when we were first elected and that was a mistake, but we have improved the efficiency of the government operations from a $16 billion deficit to a surplus of $13 billion and that was no mistake.

Many Canadians felt left out of the Meech Lake constitutional process. That was a mistake and we learned our lesson. We have responded with the broadest consultations right across the country and that is no mistake.

Free trade and the GST were poorly communicated and that was a mistake, but the free trade agreement gives us protection to go to the dispute settlement mechanism. We will win on the softwood lumber.

• (1150)

I have been very pleased to participate in this debate. I know we have a lot more work to do. I want to work with the people on all sides of this House, but please do not ask us to spend, spend, spend. Members opposite tried that in the 1970s and in the 1980s, and it did not work.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I listened with a great deal of interest to the speech of the member for Calgary Southwest.

She hit on a number of very important points, but I feel obliged to comment on a few things. She suggested that the finance minister travelled this country and spoke with corporations, business, constituents and the little person out there, and that he was concerned with people.

One of the questions that I would have to ask her relates to her saying that he was instructed to cut, cut, cut, that there was only one taxpayer in this nation. There are a number of people in this nation who do not

make enough money to be taxpayers and they are the ones who are being severely hurt by this budget.

Cut, cut, cut might not hurt some of the average citizens but it certainly will hurt those with lower incomes. If you stop to think about the cap on the Canada Assistance Plan, on health care costs, the transfers payments to the provinces by the federal government, all have been drastically cut which in turn ends up putting a further cost on the people.

Another area where people have been hurt is in the pay equity program. The government is literally cancelling the pay equity commitment that it made to the people of Canada, disabled people and women in particular. That has been cut back.

She acknowledged that the government really should have paid down the deficit in the glory years from 1984 to 1988. I love to bring up this point in the House of Commons. Between 1984 and 1988 this government realized—it does not tell us the exact figures—I understand in the area of $100 billion excess revenue over what was anticipated and we do not have one idea what it did with that money. The government will not tell us. I have been trying for three and a half years to find that out.

Who does the Court Challenges Program hurt?

The Acting Speaker (Mr. Paproski): If the hon. member does not put her question, she will not get an answer.

Mrs. Gaffney: I would like the member to respond to those little people who she says have not been hurt. I think they have been hurt drastically, and I would like the hon. member for Calgary Southwest to comment on that.

Mrs. Sparrow: Mr. Speaker, I certainly appreciate the questions from my colleague. I know she works hard on behalf of her constituents.

There are a lot of people who are unemployed. They have lost their jobs over the last few years, and I certainly admit to that. We are going through a change right around the world where we have to become more productive and competitive.

It is very interesting chairing the committee on industry, science and technology with my colleagues from the other side. One thing we learned very clearly is that we simply have to educate better, train and retrain better. No longer can Canadians rely on the natural resources that we were blessed with to maintain our standard of living. Within the global trading community, we are all going to have to change our goals and our futures.

One thing that we have done is set aside $2.8 billion with regard to the Unemployment Insurance Act for training people out of work. I recognize that a lot more has to be done. By the way, there was a surplus in 1979 of $332 million and when we came in, in 1984, that $332 million had changed to a $38.5 billion deficit. Let us not be blaming each other. Let us work for common goals.

Mr. John Brewin (Victoria): Mr. Speaker, earlier the House heard in this debate from the Minister for Veterans Affairs. I did not get an opportunity to ask him directly to comment so I will do it, if I can, by asking this member for a comment on the issue of merchant mariners.

Recently the veterans affairs committee tabled a report calling on the government to provide benefits equivalent of veterans to those who served in our merchant marine during the war and who served Canada and the allied cause honourably and with great courage. Years and years have passed. The time has surely come for the government to act on the committee's recommendation.

Last Friday we received a comment saying that the government was going to get around to it. I wonder if the member—

The Acting Speaker (Mr. Paproski): I regret that the question is not relevant to the member who spoke. Therefore the questions and comments are completed.

Mr. René Soetens (Ontario): Mr. Speaker, I appreciate the opportunity to rise today to speak in the budget debate and to mention the benefits that have and will accrue to my constituents and to Canada as a whole.

First I want to compliment the minister. This is my fourth budget as a member of Parliament. I found today that it certainly has been a very open process, open in many contexts. For example, the first ministers from across Canada travelled to Ottawa to publicly, in front of television, tell the Canadian people what they wanted to

see from the Government of Canada in the budget process. I do not recall that being done before. It was certainly a very positive step. I note the budget deals with many of the suggestions that came from the first ministers when they travelled to Ottawa to share their thoughts.

The Minister of Finance was involved in many sectoral consultations. Many of the groups that submitted their views to the minister sent those views on to various parliamentary committees. As a member of the finance committee, we received many of the submissions that were also submitted to the Minister of Finance, again a very broad sectoral process.

The minister consulted with individuals who had no particular expertise in an area or simply, as happened in many cases, were citizens who had concerns. As an MP I had the opportunity for direct input into the process, through the caucus, through the minister in a direct fashion. I have to suggest that I was really quite pleased with the budget because I think it reflects what many of my constituents were asking me to relay to the Minister of Finance.

There was also input through the various committees, for example the proposal dealing with the RRSP funding or the use of the RRSPs in the purchase of a home. This had been referred to our committee to do some investigative work. We were able to bring in many representatives that would be affected by the decision which enabled myself and other members of Parliament and the Government of Canada to fully research the idea before it was put in the budget. I compliment the minister for that very open process which took place with this budget.

One of the things I feel very good about is that finally we have seen a significant reduction in the deficit. It is dropping some $4 billion and I think that that is long overdue. We had some difficult circumstances to deal with. The most difficult circumstance of all that we will have to deal with is the national debt of this country. If we do not very quickly stop it from growing at tremendous rates, it will be a problem that future governments will have to deal with and they will have to ignore everything else because there will be no money. I am pleased to see that reduction in the deficit.

At the same time, I have had some communications from some constituents who say that although the deficit has been cut and they are pleased to see that, why were taxes also cut? Why did we do that? Why did we not keep them paying taxes so that we can reduce the deficit even further? I realize that this is somewhat a unique thought but I guess, from our perspective, we are trying to convince Canadians that we do have a good grasp on where we are going and we are able, because of our fiscal management, to in fact do both, cut the deficit and cut the tax rates individuals are paying. I am sure every person in this House, although I have not heard everyone say it, would be happy to tell their constituents, regardless of how much money they make, that they have a tax cut. I think that is important in the over-all scheme of things.

• (1200)

Part of the solution to the present economic problems is to convince the consumers of Canada that there is some light at the end of the tunnel and that they can start freeing up some, making some decisions for the long term that would be good for the over-all economy. I think a tax cut signifies that. To be blunt about it, I hope we have another one next year.

My constituents certainly say they are paying enough taxes and that we have to reduce the deficit. If we can do both, which I hope we can do in the next budget, that will be just fine with me. That is certainly the direction I will be encouraging the Minister of Finance to follow.

If we come along a little further, we say: "Okay, those are generalities, let's get to some specifics". What are the specifics in the budget? If I had to stand up and say that this was a made for Ontario budget, I know some of my colleagues in this House would be upset with me, but I am quite proud to say this is a made for Ontario budget. The economic conditions of this country are being felt extremely hard in Ontario because Ontario has the manufacturing sector in the economy. I understand that and I am glad to see that the Government of Canada dealt with the problem that Ontario faces. It faces manufacturing problems. We hear about manufacturing plants going down.

General Motors in a neighbouring riding has announced or is in the throes of discussing whether it is going to shut down one of its assembly lines. I know the MP who represents that area from the NDP would not want to compliment the government on its action, but in fact what we did for General Motors and all of the feeder plants that are located in my riding and in all the ridings around GM is cut the income tax rate for manufacturing. That is good for every one of the employers in my riding and the GM plant that has to

make that decision. We have raised the capital cost allowance which is absolutely fantastically good for the manufacturing sector located in my riding and in those ridings throughout southern Ontario and in other parts of Canada where there is manufacturing. We have also cut the withholding tax on dividends.

These are three very positive steps for manufacturing. That is good for Ontario. I know that when the Ontario economy is functioning that that is good for Canada. I do not have any trouble in supporting that particular aspect of it.

It goes a little further than that. One of the things that the Canadian economy has is this issue of competitiveness. We are not competitive in all aspects. In this budget there is an increase in the tax incentives for research and development. Again, that is good for all the manufacturers in southern Ontario. To be fair, I know it is good for other parts of the economy as well. I comfortably say that those four areas address very clearly a problem that southern Ontario has and I am pleased to see that.

It goes a little further. In the budget we have reviewed the capital gains exemption and have confirmed that that exemption is designed for productive investments. One of the major problems my constituents had back in 1988 and 1989 was all the speculators who drove the price of housing through the roof. House prices literally doubled because people had this ability to speculate on land, on real estate and take their capital gains. No more. I realize some people get hurt by that. They are the speculators.

Do you know who wins by that? All the families in my riding and in the ridings across Canada where they are trying to save money to buy a home, to invest in their future living conditions. We have just taken away the speculative incentive by those who are not in that market. If you want to make money, more power to you, but you are not going to do it on the backs of citizens in my riding.

I could go on. I have 10 pages of really good ideas. I am sorry that the time allotment does not permit me to expand on them. I wanted to share with you, Mr. Speaker, that in Ontario this is an absolutely great budget.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, the crocodile tears from the member when he talked about cutting taxes were a bit hard to take. As you know, Mr. Speaker, there have been 33 or 34 tax increases by this government since it took office, including of all things the GST during a recession.

I want to ask the member whether he thinks that it is true, as some people believe, that in fact his government induced this recession by having a very high dollar and very high interest rates for a prolonged period and we all are suffering enormously because of that.

The member will be aware of a study by WEFA Canada Limited which came out last week and which blames his government and some provincial governments to a very considerable extent for prolonging and deepening the recession. WEFA says that his government has loosened fiscal policy in boom times from 1984 to 1987 and 1988 and tightened it in the recession which is, of course, what this budget is doing, the opposite of what stabilization policy should do.

The study goes on to say that under an intelligent stabilization policy with a lower dollar we would now have 100,000 of the 280,000 manufacturing jobs, which his government has killed, and these people would be working.

As somebody who comes from a manufacturing riding, I wonder if the member has anything to say on these statements.

Mr. Soetens: Mr. Speaker, I thank the member for his comment. I recall campaigning in the last election on the idea of a new value added tax. I was elected on that basis. I know he was as well when he campaigned in favour of that tax during the election and he was also elected. I find it interesting that now he would say that that is something we brought on when he campaigned in favour of it.

He talks about the tax increases that took place between 1984 and 1987. He is absolutely right, there were an awful lot of them. I was not a member of Parliament then so I could not very well speak out, but I know he was. He was on the government side so I presume that when he was voting he was speaking out against all these taxes, or just what was he doing?

Let me come back to the idea when he talks about the loss of jobs in manufacturing and so on. Yes, the dollar has had an impact. There is no doubt about that, but I would suggest the greater impact on southern Ontario manufacturing job losses is in fact the spending record of the provincial governments. I should point out that it is a

spending record that he supports, being a member of the Liberal Party.

The Liberal Party of Ontario increased spending in southern Ontario at a rate of 14 per cent a year for all of those years when he is talking about the federal government keeping its spending under constraint. If we had not had those huge increases in spending, I would suggest that the NDP today would not be faced with $14 billion deficits. Some of it is NDP fault, but I would suggest that it was Liberal policies in Ontario that caused the major problems that the Ontario manufacturers have. It was Liberal policies in Ontario that made the Ontario economy the highest taxed economy in North America. It has taken it in a space of five years from being one of the lowest taxed in North America to the highest taxed in North America. Now the NDP are simply going to build on that. That is the problem of southern Ontario.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, in the budget you introduced a decrease in the manufacturers' tax or in taxation for manufacturing companies. I want to say that it is always good for corporations to have a decrease in taxation. But I am wondering whether it was such a good move seeing as we all are very well aware of what the NDP in Ontario stand for and that is: Get those big bad large corporations and tax them as much as you can.

I am wondering whether you are aware of whether your Minister of Finance had any negotiations with the province of Ontario as to whether it would now move into this area that you have vacated and whether we should perhaps be considering some other way of giving these people a break if all that is going to happen is the provinces will move in and take over that tax area, and whether you really think that the—

The Acting Speaker (Mr. Paproski): The hon. member has a minute to answer that question.

Mr. Soetens: Mr. Speaker, that is certainly a major concern. We have through not just the income tax cut but through several other measures provided for Ontario based industries, in fairness for industry all across Canada but I represent an Ontario riding and we have major industries in southern Ontario.

We cannot guarantee that the provincial NDP will not sabotage our efforts. If it does, that is unfortunate. I guess the nice part of this is that there are manufacturing sectors all across Canada, not that I would like to see Ontario based manufacturers move, but we have to address the entire Canadian problem. Hopefully, within Ontario—for example, in the adjoining riding where GM is making some major decisions—they can apply appropriate pressure on their provincial MPPs to make sure that the tax planning of the provincial government does not negate all of the positive things that we have done federally.

• (1210)

[*Translation*]

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, in my speech on the budget last year, I suggested that there was an alternative to the Conservative government's present policies. Today I could repeat much of the speech I gave last year, but I will rather stick to the essential.

Like many Canadians, our party recognizes that the federal deficit is a serious economic and political problem. We recognize as well that limiting inflation is also an important objective. We thus agree with the government on these two points.

However, we do not believe that it is necessary to knock the economy out, to create unemployment for millions of Canadians in order to fight inflation. For nearly 20 years, many European countries have been able to fight inflation without creating unemployment.

In my speech last year, I repeated the recommendations which the Economic Council of Canada made in its 1990 annual statement. It gave the government suggestions on pursuing such a policy in Canada. The Economic Council of Canada noted that those European countries have some things in common. First of all, they are committed to full employment; second, government, management and labour work together in those countries. The council believed that better co-ordination of federal and provincial economic policy was possible in Canada and that management and labour could be brought together in this country.

I said last year and maintain today that the Economic Council of Canada recommendations provided an alternative to the Conservative government's present policies. Not only has the government rejected the recommendations of the Economic Council of Canada but it has decided to kill that agency. It is obvious that the government wants to eliminate any independent voice.

[*English*]

The government has ignored the alternatives suggested by the Economic Council of Canada, has killed the council and has deliberately pursued a policy of high unemployment in order to control inflation.

An hon. member: Hear, hear.

Mr. Berger: That is why we have a million and a half Canadians who are looking for work today.

We in our party do not believe that high unemployment is acceptable. We in our party do not believe that high unemployment is inevitable. We do not believe that there is no other way. We do not believe that government must resign itself to massive unemployment. Neither did the members of the Economic Council of Canada.

An hon. member: That's why they are gone.

Mr. Berger: Today they are gone, for having dared put forward a view that is contrary to this government.

Our party believes that things can be done in the short term to alleviate some of the suffering that Canadians are experiencing and to provide Canadians with the dignity that only comes from working. We believe that it would be appropriate to increase the deficit, just slightly, in order to put people back to work.

Last year in my budget speech I pointed out that the former Minister of Finance in his first budget in 1985, I believe it was, predicted that he would reduce the government's fiscal deficit to $18 billion by the end of the decade. We know that in last year's budget he was forecasting a deficit of $30.5 billion, so he missed the mark by the small sum of $12.5 billion.

In this budget tabled several weeks ago the current Minister of Finance of course says that no, the $30.5 billion figure cannot be met and is now talking about $31.5 billion. There are many economists who even regard that estimate as overly optimistic.

When the leader of our party suggests that in order to put Canadians back to work the government might consider increasing the deficit by, for argument's sake, $1 billion this year, in order to provide Canadians with the dignity of working, that only comes from working as I said earlier, is it such an unreasonable proposal? Is it such a ludicrous proposal that it would be rejected out of hand by this government and by the Minister of Finance?

When we say perhaps increasing the deficit slightly in order to put people back to work, the leader of our party has pointed out that it may not be money that would be a net drain on the government's finances because this expenditure would be paid back in the form of lower unemployment insurance payments, lower welfare payments and more taxes.

We in our party realize that Canadians are not looking for short-term fixes. Canadians realize that there is no quick fix to what it took the Tories eight years to destroy.

On the other hand, we believe that the government has a responsibility to help Canadians through difficult times. That is why our party has put forward some proposals to stimulate the economy in the midst of this recession.

In the long term Canadians need a government to implement a strategy to ensure the sustained growth of the Canadian economy, to create wealth in a knowledge-based world economy, to ensure prosperity on an ongoing basis. It is evident that the government has no such strategy.

I have spoken in this House many times about Canada's deficiencies in the area of science and technology. We have to invest more in R and D in this country in order to increase value added, in order to provide high wages to our workers, in order to produce quality products. I am talking about value added products for export and for consumption in our domestic market to compete with imports.

Is there anybody in this House who believes that we should compete with the low wage developing countries for low value added goods and services, low wages and low skills? Is that the game we should be in? Or do we want high wages and high skills? The only way to have high wages and high skills is to increase the value added of what we produce and of the services we offer here in Canada.

Anyone and everyone who has analysed Canada's performance in science and technology recognizes that we have a problem and that this problem must be addressed if we wish to create wealth and maintain a high standard of living for Canadians. The government itself has launched what it calls its prosperity initiative in which it is asking Canadians what can or should be done to ensure Canada's competitiveness.

In my speech a year ago I termed this prosperity initiative an admission of failure, an admission that we have lost eight years—seven years then, eight years today—when this government should have taken steps to ensure that all Canadians receive a quality education and that Canadian businesses do enough R and D, all of the things it says we have to do today and, of course, which it has done nothing about for the past eight years.

On the contrary, we have seen that many of the government's actions have defeated those very purposes. For example, it has reduced funding for R and D in industry and in government. It has eliminated a number of training programs. It has cut back on funding for post-secondary education, to name only a few. As a result of these actions, total support for Canada's research and development efforts has actually declined since the Conservatives took office.

• (1220)

What I find particularly infuriating is despite this abysmal record the government pretends to be improving support for research and development and science and technology. This budget is no exception. The Minister of Finance said on page 13 of his budget speech:

> The government recognizes the importance of research and development.

What I want to emphasize is the enormous gap between what the government says and what is actually happening.

Schoolchildren understand there is a difference between saying something and doing something. But this government has it down to a fine art. It figures that if it repeats something often enough, people will think it is the truth. This is known as the theory of the big lie.

I do not know who the government thinks it is fooling. Report after report has emphasized that we have a problem and yet the government in its actions does not recognize that a problem exists.

The Minister of Finance in his budget speech stated:

> Canada's system of tax incentives to support R and D is already one of the most generous in the world.

He is trying to convince Canadians that everything is fine and there is no need to increase tax incentives or non-tax incentives, which I will get to in a minute. Indeed the budget committed an additional $230 million over the next five years to improve these incentives.

I would like to point something out to the Minister of Finance, to the members of this House and to Canadians who may be watching this debate.

If tax incentives were the answer, we would not have an R and D problem in Canada. While I welcome this additional support for R and D through the tax system, I maintain that tax incentives alone will not improve Canada's dismal R and D record.

The minister himself observed, as I said, that Canada's tax incentives are already among the most generous in the world so it is a matter of simple logic.

We already have generous tax incentives for R and D. If tax incentives were all that were required to stimulate industrial R and D, then we would not have a problem. We would be right up there. But we are not up there. We only spend half as much as our competitors do on research and development, so the problem must lie elsewhere. This is the government's blind spot.

Indeed, the minister responsible for our prosperity initiative, the Minister for Industry, Science and Technology and International Trade, refuses to admit that we have a problem. He may not even understand that we have a problem.

When he appeared before the Standing Committee on Industry, Science and Technology, Regional and Northern Development on December 4, he said:

> We have looked at the federal level of support for research and development and Canada compares reasonably with other countries.

The minister is either incredibly naive, he does not know the first thing of what he is talking about, or it is part of this big lie strategy that I referred to earlier in which the government is just trying to hoodwink Canadians into believing that everything is just fine and dandy.

The minister does not seem to understand that Canada lags far behind our competitors when it comes to non-tax support for R and D. This is an important distinction, the support that is offered through the tax system, tax support, and the support that is offered for R and D through other methods, through non-tax methods.

By non-tax R and D, what I am talking about is contract research or government procurement which are widely used in many countries to stimulate innovation and industrial development.

Canada is just not in the same league as many of our competitors in Japan, the United States, Germany, the Scandinavian countries and France when it comes to non-tax support for R and D which in those countries is offered through defence procurement, defence spending in the United States, projects like the fifth generation computer project in Japan and the aerospace industry in France.

I just came back from the west coast. I had the pleasure of attending a forum with business persons interested in science and technology in Vancouver last Friday morning.

One of the people I had the pleasure of speaking to and meeting with again is John MacDonald, president of MacDonald Dettwiler in Vancouver which employs some 800 persons. These are all people who are working in the field of systems integration and software development.

Mr. MacDonald referred to the old unsolicited proposals program, which this government cancelled, as the best lever the government had to promote industrial development. This was a program again which this shamed government cancelled.

Another kind of program which has been highly successful and which has been perhaps the government's best mechanism for getting small and medium sized businesses across Canada to do research and development is the national Industrial Research Assistance Program.

We all know that this program has been starved for funds by this government. The funding of IRAP has declined by some 28 per cent in the past seven years. IRAP has suffered from management instability. The current management of the NRC has attempted to change the program from a program which serves the interests of clients to a program which will serve as a marketing arm for the NRC labs.

The committee of which I am a member, the industry, science and technology committee of this House, undertook a study of this program in the fall. It concluded that IRAP suffers from the absence of a clear government perspective on its role and responsibilities not just now, but also in terms of what the program should be in the context of the prosperity agenda that the Minister of Industry, Science and Technology is promoting.

This budget provides a minimal increase in the budget of IRAP nowhere near the funds that were recommended by the industry, science and technology committee and the Sparrow report one and one-half years ago. That committee was chaired by the member who spoke just a few minutes ago. These funds are nowhere near the funds necessary to allow the program to fulfil its potential and meet the needs of Canadian industry.

The government is not only content to destroy support for industrial R and D, but also it has decided to destroy this country's knowledge base. In the budget, the government of course delivered the *coup de grâce* to the Science Council of Canada.

The Minister of Finance said that there are other similar types of organizations that do the same thing as the Science Council of Canada. That is not so. That is simply wrong. There is no other organization in the country that does the same thing as the Science Council, that looks at science policy from a long-term perspective and in an independent manner.

I spoke last week to a member of the National Advisory Board on Science and Technology, the Prime Minister's own National Advisory Board on Science and Technology. A board member told me that to suggest that the Science Council is similar to the National Advisory Board on Science and Technology is just ludicrous. He said that NABST is different in concept and different in construct, to put it shortly.

The same member of the National Advisory Board on Science and Technology, who happens to work on Bay Street, told me that the business community generally supports the budget, which is something I might take issue with. But it thinks the government has gone off the deep end in killing the Science Council and the Economic Council, and he likened this to Archimedes who was

drawing geometric figures in the sand and was killed by a Roman soldier. He referred to barbarians slaughtering the brains trust. He said: "This looks like book bashing, book burning".

This does not come from me but from a member of the business community on Bay Street who was describing this government's killing of the Science Council and the Economic Council.

Mr. Holtmann: Archimedes.

• (1230)

Mr. Berger: This is something the member for Portage—Interlake is quite familiar with. He has had some practice at book burning. I say that with due respect. He will probably want to ask me a question about that.

Oscar Wilde said that a cynic is a man who knows the price of everything and the value of nothing. I think that pretty well sums up the Tory approach to government. I think you would agree with me that Canadians deserve better than that.

In closing, I want to move a motion, under Standing Order 26, to continue sitting through the lunch hour for the purpose of allowing as many speakers as possible to participate in this debate.

The Acting Speaker (Mr. Paproski): I believe there is unanimous consent to carry on until two o'clock.

Some hon. members: Agreed.

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I very much enjoyed listening to the member for Saint-Henri—Westmount. I would like to say to the House that if Archimedes were living today, he would probably come out with a statement something like: Beware a Liberal government or a Liberal administrated government because the big dynamic hole of bankruptcy will grow and grow and grow. That is what Archimedes would say if he were around today and had that much history behind him.

I listened with interest this morning and this afternoon to what a colleague in the House had to say about how they would get out of this particular recession. He said the government should just spend slightly more. The government and the people of Canada are still paying for those "slightly mores" during the Liberal administration, those billions of "slightly mores".

I have sat through eight budgets since this government came to office in 1984—

Mr. Kilgour: All Tory ones.

Mr. Holtmann: We will get back to the hon. member for Edmonton Southeast about all Tory ones because he was a member of the Tory Party and supported it for six of the eight years quite happily. I heard comments from the member from Alberta who pointed out that it was the Liberal administration that drew us into this deep quagmire of debt.

In every budget the present opposition demanded the government spend more. Instead of the current debt we have, it would likely be another $100 billion more. I sat in this House on many occasions where members across asked the government to spend more. In fact we spent less, significantly less.

The members opposite should poll their constituents before making statements that this government should be spending slightly more and not mentioning how much. I am sure they would find, especially the member for Edmonton Southeast, that their constituents and the constituents in their provinces would very much want to reduce government expenditures. That is why this new party is springing up in leaps and bounds wanting the government to spend less, not more.

With all due respect to the two members who have made some comments, I would like to ask the member for Saint Henri—Westmount a question. There is a grass roots movement in this country to spend less. Does he not see in his party that going back to the old traits of throwing money at this problem to make it go away is certainly not the way the public that would support his party would want him to go? I want him to really examine the question I have put to him about his grass roots supporters today.

Mr. Berger: I really think the member and all the members of the government ought to be a little bit bashful about standing up in this House and giving us lectures about bankruptcy and the deficit.

I am reminded of a comment made by a very wise person, Senator David Croll who passed away just this last year in his early nineties. He was active in our caucus until the day of his death. I remember him telling me: "The way Michael Wilson talks about the deficit, you would think he had licked it". I can just hear David

Croll's words and manner of speaking as I repeat what he said.

The former Minister of Finance, said he would get the deficit down to $18 billion by the end of the decade. We are talking this year about a deficit of $31.5 billion. The member for Etobicoke Centre or this government missed the mark by $13.5 billion. He has the nerve to stand up here and tell us he has any conception whatsoever how to reduce the deficit.

It is high time this government took responsibility for its actions over the course of the past eight years. I would like to quote what the former Minister of Finance said in his budget speech a year ago. On the very first page, he said:

> We must deal with the world as it is and not as we might wish it to be.

This government is responsible for the world as it is. The economic situation in Canada today is what it is in large part because of the actions of this government. It is time, I believe, for this member and this government to assume responsibility for the difficult economic circumstances in which we find ourselves in this country today. As I tried to indicate in my speech, it is a big world that we are living in; a knowledge based world economy in which Canadians have to compete. We require a growth strategy to enable Canadians to create wealth. The challenge of the deficit is to create wealth in this country to put people to work and get people paying taxes. That is how this deficit must be fought, not by the cost cutting methods of this government.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I welcome this opportunity to take part in the budget debate. It is a very important debate in that this year's budget continues what we started in 1984. It is a modest budget, but I think it is a very specific response to the many questions being asked by Canadians and a response to the many examples of past injustice which this budget attempts to remedy.

The present Minister of Finance has given us a sound budget that reflects the aspirations of Canadians and is firmly based on the strategy we developed in 1984, which was to reduce the deficit, put public spending on a sound footing, help the neediest in this country, eliminate duplication, where appropriate, as well as unnecessary assets, and bring certain agencies within the purview of the departments. We saw in the budget that there are a number of agencies that will be either wound up or merged with others. I think that in a recession like the one we are experiencing today we must make these decisions because they mean making the best possible use of taxpayers' money.

That being said, it is not always easy to make those decisions. The Minister of Finance could have done what other ministers did in the past, which was to try and keep Canadians happy by handing out subsidies and creating programs right and left so Canadians would remember the government's generosity but unfortunately mortgaging their future in the process.

• (1240)

This was quite obvious during the previous government's last few years in power, when government spending was substantially increased to enhance public support. For instance, if we look at the record for total spending when the Liberals were in power, the average annual increase was 14.6 per cent between 1980 and 1984. Since we came to power, the average annual increase has remained at 5 per cent.

When we look at total spending as a percentage of GDP under the previous government, this ratio rose from 16.9 per cent of GDP in 1967, centennial year, to 24.6 per cent in 1984.

When we look at the Conservative record, because the opposition is often critical of the way we managed the country's finances, between 1984 and 1982 the percentage of GDP dropped to 22.8 per cent and it is expected to go down to 18.3 per cent by 1996.

When we took over the administration of this country's finances in 1984, we inherited a very substantial deficit. When the Liberals or the New Democrats tell us things have not changed under the Conservatives since the deficit has increased considerably, I would ask them to do some simple figuring with compound interest. It should be obvious that if we had pursued the same approach to spending the Liberals had before 1984, the current deficit would be much higher than it is now.

I think it was a choice the government had to make and a choice voters made in the two last elections. It came as no surprise to anyone when we said we wanted to reduce the deficit. It came as no surprise when we said we would have to make certain adjustments in a number of departments and programs so that would be able to live within our means.

I suggest that if we continue to compare the records of both governments on the way they handled public spending since the other side is so critical, perhaps we should look at the operating balance which is extremely important. In 1984 under the Liberal government the cost of programs, before interest charges, was $16 billion more than our revenues. This means that on top of having a budget and reaching into the pockets of taxpayers, the government in its estimates was spending $16 billion more than what it was to take in, and that is not counting the debt service. In other words, we were quickly getting deeper and deeper into debt.

We had an operating surplus of $10 billion last year and that means a turnaround of $26 billion. We went from an operating deficit to an operating surplus, notwithstanding the debt. That is extremely important. It is a sign that the government is really controlling the expenditures of this country. If the trend persists, if we keep to our goal of restraining expenditures, of controlling the increase in expenditures, we will have more room to manoeuvre in the areas of social programs and economic development.

Today, in 1992, Canadians cannot believe that a government is a serious or responsible one if it says: "Forget the deficit; we don't have to take it into account. Regardless of the deficit, if I were in office I would create new health programs, new industrial growth programs; if I were in office I would offer this incentive or that one". I feel that a responsible government must give an exact picture to the people. In recent years our government has succeeded to a great extent in straightening up the public spending in a satisfactory, if not very popular, fashion.

I think the budget tabled by the Minister of Finance is an excellent budget for the people of Quebec, considering that the 4.7 million taxpayers in Quebec will benefit from the cut in the personal income surtax. Let us not forget that we will also simplify, streamline and enrich our support for the 2.9 million families and 2.3 million children in Quebec. Nationally total child benefits will increase by $400 million per year.

One of the most important aspects of this budget was pointed out when the Minister of Finance recognized that common-law couples and married couples were not treated equally under the tax system. This measure is in response to strong pressure put on all members of this House and addresses at the same time an injustice which unfortunately continued over the years and had to be redressed.

There was also the home buyers' plan through which we are encouraging individuals to boost the economy by allowing them to use their RRSPs to purchase homes. This will be most beneficial for some.

Members opposite keep asking us what we are doing to boost the Canadian economy. We will reduce the tax burden of the 11,000 Quebec companies in the manufacturing and processing sectors. We will also take measures to help small business and farmers. We will increase the capital cost allowance rate for these businesses.

While this budget as a whole may be moderate, it is very important in order to boost the economy and to ensure that the confidence of the Canadian people in their government is maintained. This budget is especially important because budgets such as this one allow us not to mortgage our future but rather to prepare for it with enough flexibility to set up adequate programs.

That is what is important, and that is why I strongly support this budget.

[*English*]

Mr. Jim Edwards (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I appreciate the opportunity to participate in the budget debate of 1992.

I, have found this budget to be a sensible, tough, consistent, creative and fairer than many previous budgets. I propose in the limited time available to me to address those characteristics, to suggest where a future budget might make some improvements, and to review what is contained in this budget for Albertans and what Albertans are saying about the budget itself.

One of the aspects which I find fairer in this budget than in previous budgets is the provision which my hon. friend has just referred to, and that is making the tax system even-handed in dealing with common law couples as it does with married couples.

But there is one aspect where I think there is some good work to be done in the future. I applaud the moves contained in the budget that better provide for families with children. I think that initiative, put forward by the hon. member for Calgary North and proposed by him to the Standing Committee on Finance on December 11, has been well responded to and will be welcomed by Canadians, not only those who have families at this moment but those who applaud the institution of the family as the foundation stone of our society.

I wish to address the question of child care choices. As my friend from Calgary North told the finance committee in December, our present system "fails to recognize the worth and cost of stay at home parents. The government interferes with the parents' ability to choose the kind of day care they believe is best for their children because financial support through the tax system is only provided to those parents who choose professional day care with the child care expense allowance. Parents who decide to stay at home with the child can make no such claim".

The analysis which the member for Calgary North and his committee conducted during last year found that current child care costs in the tax system consist of the child care expense allowance, which could be claimed as a deduction by the lower income parent. The maximum allowed until this budget was $4,000 for children under the age of seven and $2,000 for children between the ages of seven and twelve, to a maximum of two-thirds of the income of the parent with the lowest income. The member for Calgary North, with some assistance from others, ran a computer simulation and found that the effect of putting the current child care expense allowance funding into an enhanced refundable child tax credit would result in the average married couple with young children, earning less than $60,000, who use child care would be better off if the child care expense allowance were cancelled and if the money saved were rolled together with the other items within the IRCTC.

• (1250)

Further, adding this result to the bias that the CCEA introduces against the parent who decides to stay at home to look after the child would make a very strong case for abolishing the CCEA. The only concern is whether the statistical averages in the simulations might hide some new hardship induced by this policy change.

There are low income families who find themselves in districts with insufficient low cost day care. This problem ought to be addressed through the combined efforts of the federal and provincial governments using the Canada Assistance Plan directly to lower day care costs locally rather than perhaps through the income tax system.

Those were some of the recommendations made by the member for Calgary North and his committee. I was very pleased that not only was there a strong element of social policy made in Alberta introduced into this budget, but also that we have had a budget speech delivered by a western Canadian for the first time in some 60 years, and a fine speech it was. I will in a few moments be coming to some of the aspects of how that speech was received in my home city and my home province.

There have been many who have asked me: "What does this budget contain for Albertans?" I am happy to say that my study of the budget documents indicates that it is even-handed treatment for all Canadians regardless of what part of the country they live in. I have done some calculating as to what the impact of the budget will be on the life of Albertans.

The budget cuts spending, cuts taxes and bolsters economic recovery. It also ensures substantial declines in the deficit for 1992 to 1993 and beyond. Spending will be cut by $1 billion next year and $7 billion over the next five years. All 1.6 million Alberta taxpayers will have their personal income taxes cut through a reduction in the surtax. There will be an elimination of the excise tax on ethanol and methanol portions of blended fuels that are mainly gasoline. Good news for our agricultural economy and good news for the environment.

Our support for 1.1 million families and one million children in Alberta will be simplified, streamlined and substantially increased by $400 million per year nationally. Tax disadvantages for the traditional family unit will be eliminated and will assist Alberta families to buy homes using their existing RRSPs.

We will be increasing support to approximately 16,000 Alberta residents with disabilities and will be providing additional tax assistance to approximately 4,000 Alberta post-secondary students.

The tax burden for the approximately 4,000 manufacturers and processors in Alberta will be reduced. We will be increasing the capital cost allowance rate for manufacturing and processing equipment.

Increased spending on research and development will encourage productive investment in the province of Alberta.

Those are the characteristics that impact on my home province and what has been the reaction in that part of our country.

Here is a headline from *The Edmonton Sun* of Wednesday, February 26: "Maz makes our day. His first budget hits the mark". In *The Calgary Sun* of the same date: "Maiden budget surprisingly painless. Good news in bad times".

In the analysis section, when the Minister of Finance spoke to the Edmonton Chamber of Commerce recently, the chamber president, in thanking him said: "A projected 1992-93 federal deficit of $27.52 billion is a little higher than we would like. But the over-all message", he said, "is positive". "I would give it a silver medal", said John Knebel, "a 7.5 out of 10".

John Knebel is president of the Edmonton Chamber of Commerce and a distinguished trade lawyer in the city of Edmonton. To the best of my knowledge, he is a political independent.

An editorial in the *Edmonton Sun* on Thursday, February 20, gave some advice in advance of the budget: "Stay the course, Maz". And reacting to the actual budget itself, the same newspaper the morning after wrote: "Small Maz-terpiece".

Those are headlines. Other significant headlines sum up the reaction: "Middle class aided", "RRSPs Build Homes".

I want to touch on the reaction of the provincial Government of Alberta to this particular budget. Reported in *The Calgary Sun*, the treasurer of Alberta, Mr. Dick Johnston, praised the federal budget as " a very good package for national recovery". He went on to say: "This is the right message to consumers in Canada. It instils a sense that the future is strong". Remarkable words from the treasurer of Alberta.

To give some balance, I would also like to quote from the hon. member for Edmonton East in his reaction to this budget since I am giving a survey of Alberta reaction. He says: "The Minister of Finance has forgotten his Alberta roots and has become a loyal, enthusiastic sorcerer's apprentice to that old monetarist warlock, the former Minister of Finance".

This is a member of Parliament who listed his occupation, prior to his election, as wordsmith. He has shown his facility with words and indeed his shallowness of analysis in that reaction. If he could not say anything more analytical about the budget then I think he had better stick to wordsmithing.

Editorial comment from *The Calgary Herald* states: "A modest 1 per cent decrease in the personal income tax surcharge this year won't send consumers racing to the stores to run up their credit cards but it is all Mazankowski could afford. But he deserves credit for boldly scrapping the baby bonus in favour of targeting lower income Canadians with as much as $100 a month more for each child".

In the same newspaper the next day: "Let's hand it to Don Mazankowski. Yesterday's budget was the first we can recall in a long while that hasn't soaked average Canadians or bludgeoned business".

There are voices out there urging this government to spend more. In order to spend more, naturally we would have to borrow or we would have simply to print money and depreciate the value of our currency as so many countries have done. But I admire the courage of this finance minister and his predecessor in staying the course and ensuring that the Canadian economy remains sound.

If we were not to follow the course that has been followed over nearly the last eight years, we would not have the Governor General sitting in Rideau Hall, we would not have the Prime Minister at 24 Sussex, we would have the International Monetary Fund running the affairs of our country. On the other side of the equation, there are those who say slash to the bone and slash beyond the bone. There are those who say cut $50 billion from the budget, or the next day maybe it is 15 per cent.

Canadians are not paying much attention to that kind of thing because this is the same organization which is urging people to turn over their life insurance policies to a particular political party. Their next move may be the necromancy of advising that life insurance policies be turned over to the Government of Canada.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, this budget allows Canadians to take $20,000 out of their RRSP and buy a home. The hon. member mentioned that. That is great for Canadians who are fortunate enough to have an RRSP, and I believe there are approximately 10 per cent of Canadians in that category.

This same budget goes on and eliminates the co-op housing program. It puts a cap of 3 per cent on spending in social housing.

I want to ask the hon. member a question. Does he not feel that in the area of housing this budget helps the fortunate and hurts the less fortunate?

• (1300)

Mr. Edwards: Mr. Speaker, on the contrary. I believe the general thrust of this budget is to generate confidence in the Canadian economy and to send a message to the less fortunate that this government does care for them.

I may have neglected to say this budget has a great deal for Canadians with disabilities contained in its provisions. I am sure my friend from Malpeque will welcome that.

She asked questions about the RRSP plan which I welcome. I hope it will have the desired effect and I believe it will. She tied that in with the abolition of the co-op housing program. That is a move I think ought to be re-examined. I did not welcome that move with enthusiasm because I had a hand in seeing the co-op program work very creatively to offer housing to people who prefer that style of life. Living in co-op housing would not be to my taste, but I recognize it is to the taste of quite a number of Canadians. There are provisions within the former co-op housing program for the disabled and for lower income Canadians that are truly advantageous. I can cite the example of the Summit Village Co-op Project at 149th Street and Stony Plain Road in my riding which the former minister of housing, my distinguished friend from Don Valley East, helped me develop some two years ago. That was a situation where co-op housing funds were channelled to provide not only accommodation for the disabled and elderly, but for a broad cross-section of Edmontonians who pronounced themselves very happy with their current habitat. I am pleased to add there is a waiting list of some 86 couples who would like to get into that project.

I will join with my friend from Malpeque in asking for a review of that particular move in this budget. I do not embrace every one of its provisions and that is one of them.

Mr. John Brewin (Victoria): Mr. Speaker, the hon. member for Edmonton Southwest is one of the particularly distinguished and respected members of this House. I have listened with interest to his comments particularly on the budget's effect on the family.

The issue he just addressed surely is one which undermines the family in this country. The co-op housing program was particularly successful in integrating those of lower income with those of somewhat higher incomes in a housing development rather than isolating low income people off in a corner. I think the member will agree that cutting off that program was particularly damaging to Canadian families.

The hon. member must be troubled at the very least by the breach of commitment by the government on the issue of a national child care program. He campaigned along with other Conservatives in the last election on the government's commitment for a national child care program. The very fact that the government has broken its solemn commitment made to the Canadian people must trouble the hon. member.

I would like to comment on the decision by legislation of the government not to honour pay equity beyond the latter part of 1990. It will simply cut off the legal rights that may be established to pay equity and will again damage lower income women in particular who are trying to support families, along with the end of the

Court Challenges Program which was being used to establish rights of lower income Canadians.

I would ask him to comment on these because it seems to me that the budget is in fact a devastating blow to families in Canada.

Mr. Edwards: I appreciate the intervention of my friend from Victoria who is a fine, constructive member of this House and asks very good questions.

I find his question concerning pay equity somewhat troublesome. My understanding of what was announced in the budget was that there would not be retroactivity applied to whatever pay equity decisions were to be made in the future. I understood there was a point beyond which in the past one would not go in making those retroactive payments.

I believe that some of those rights have yet to be determined by the courts, and one cannot say that something is wiped out which is not yet established in its precise terms. The principle is established, but the terms and conditions have not yet been fully established by the court.

On the question of the child care program, yes I did campaign in the 1988 election. I knocked on door after door and was greeted by a great cross-section of people, in terms of income, in my riding. I was astonished to hear people rejecting the idea of universal day care.

It was a ground swell, and one that I felt could not be ignored. There were young mothers, many of them professionals or otherwise, who had chosen to take up to four or five years out of their careers in order to nurture and bond with their children. They said it was great if the two income families chose to both continue working and using day care, but what about mothers at home? They made a choice they felt was necessary for their children. They did not want to judge what other people did. They believed staying at home was very important to the nurturing and upbringing of their children and they were given no recognition for that through the tax system.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to take this opportunity to put on the record some comments on the budget and to make an analogy. I think it will paint a picture for people. The analogy is that the budget is a prescription. The patient is Canada, and we have two specialists in charge of a sick patient.

Canada is economically sick. We have two doctors: Dr. John Crow and Dr. Maz. Before you can actually write a prescription, one has to assume that you do a diagnosis of the ills of the patient. I have heard all of these Tories get up and trumpet how fine it is that this budget is cutting taxes.

What do they want us to give them, a medal? They have been putting taxes up from the day they took office in 1984. Thirty times they increased direct and indirect taxes, on the backs of Canadians. They dropped the surtax, that is the tax on the tax. They dropped it a little bit, and they want us all to fall on our knees and worship them for that.

Who put the taxes up in the first place? They did. They put the taxes up which in fact increased the dangers to the health of the patient in the first place. Those taxes contributed to inflation. The doctor who was in charge of purging decided that the way to purge all the bad humours from the patient's body was to increase taxes because we had to reduce the deficit.

What happens? It raises the temperature of the body, so now the haematologist comes into the operating room. He says he has to use the old tried and true method and bleed the patient. Let interest rates rise because we have to dampen the fires of inflation; the fever is high. We have to get the temperature down, so up goes interest rates. Up went the interest rates.

• (1310)

In fact I remember when Dr. Crow was brought before the finance committee that looks at the ethics of doctors. When we brought him before the finance committee, the whole question was why were we putting Canada into an inflationary period? It was a made-in-Canada inflation at that time. Mr. Crow told us wage demands were too high in this country compared to our competing partners and we had to get those wage demands down; we had to get the temperature down. By golly, he let those interest rates rise.

We had interest rates rising and we had taxes rising. This was the period when we got hit with the GST. At the same time this government deliberately removed itself from any responsibility for unemployment insurance. The Liberals of course had gone a long way toward transferring a lot of that cost on to the backs of employers and employees. With Bill C-21 this government went all the way. It absolved itself from any

contribution to the unemployment insurance fund, so it contributed nothing. Did it have an interest in making sure the unemployment rate did not rise? Of course not. It could not give two figs whether people became unemployed in this country because the government was not putting money into the fund any more. It was strictly a payroll tax on employers and employees. In fact it brought out the most recent increase in January of this year.

Why should it feel any responsibility for keeping unemployment down? Of course it let unemployment rise. At this time part of the diagnosis which would lead to the formation of a prescription is the fact that we are now sitting with 1.5 million Canadians unemployed. That is official, 1.5 million, and that is only a statistic. You have to see the actual effects on individuals.

The doctors over there who are writing the prescription do not start out with that first principle, but that is one of the conditions we have to deal with. They will not deal with that at all. As a matter of fact, on this question of writing a prescription, the good doctors decided what they had to do was consult. So they brought in the premiers for a consultation. The premiers and responsible elected Canadians at the municipal level all around said they should be putting specifically targeted money into direct job creation. They should be rebuilding the infrastructures of our municipalities across the country instead of frivolously throwing money at increasing payments to deal with the victims' problems, serious as they are. They should deal with rebuilding the infrastructure of municipalities which down the road would give us a decided advantage when the economy rebounds. All of the premiers came and I read that most of them said the government should be doing that. What happened when the prescription, which is the budget, was written? Not one penny was put into direct job creation, not one penny.

We talked about the problems we have with respect to interest rates. We have an economy where in fact there is no growth taking place. He has brought the fever down; the patient is not running any temperature at all. The inflation rate is less than 2 per cent. There is no growth in the economy; it is just sitting there. As Michael McCracken said, "The cost of doing nothing is not zero". The government just sits there, no stimulus to get it moving. As we look at the economy, the real interest rates of this country are about 3 per cent higher than the real interest rates in the United States. The real interest rate in the United States is less than 1 per cent. We are running real interest rates of about 3 per cent above that. So we are about 4.5 per cent.

Why? There is room to let that interest come down. As a matter of fact, on the contrary, in a period of no growth at all we see the interest rate rising again. We see loads of money, Canadian money, being used to prop and keep the dollar up. That is where the money is being spent. Surely the diagnosis has to be that something has to be done to kick-start the economy.

We have to bring our interest rates down back to the traditional 2 per cent difference between our rates and the American rates. In fact, the American real rates are so attractive that Canadian utilities are using Canadian banks to borrow in the United States, which only aggravates the balance of payments situation when we have to send the money out to pay the interest on the debt that is incurred.

There is room. We are not talking about spending money and increasing the deficit. We are not talking about cutting spending. We are talking about spending wisely. The interest rates have come down seven points, as Dr. Maz pointed out. They have come down and surely that has given us some room with respect to the interest on the debt. That is where we could get about $1 billion which could be put into that infrastructure rebuilding we talked about. Surely that has to be part of the prescription that was written, but it was not written there at all.

Mr. Nunziata: Do not forget rates went up last week.

Mr. Rodriguez: I said that. I said that rates have started to go up. Imagine, there is no growth in this economy, literally none, because we have 2 per cent inflation. There is good inflation and there is bad inflation. With this inflation of less than 2 per cent, there is nothing happening here. It is stagnant. The patient is there. Mr. Crow was successful. The only thing is that the patient is expiring.

Mr. Brewin: They put on leeches.

Mr. Rodriguez: He did. He put on leeches; he bled the patient.

I mentioned the fact that there is something else about the budget that really bothers me a great deal. It is maybe the second incursion into destroying the principle of universality of social programs. I have always taken the position that the universal principle means that it does not matter whether one is in the upper income levels or the bottom income levels. The universality of a social program covering all Canadians really binds us together in a commitment to the program so that no government can separate those who have little income from those who have a lot of income. The means test is the thin edge of the wedge that separates people; it does not bind them together.

• (1320)

I have always seen every attempt to destroy universality as not binding Canadians together but rather separating them. The principle on which this country was built was not this atavistic, selfish attitude that I have seen in other jurisdictions, where everybody is for himself or herself, and the devil takes the hindmost.

We built the country based on the principle of co-operation, that in fact I am my brother's keeper, I am my sister's keeper. That is the principle on which we built the country: the co-op movements, co-op housing, the caisses populaires, the credit unions, the principle of people working together for the common good. This is not some wishy-washy Marxist idea that deprives people of personal initiative. It recognizes and it challenges us to work together to build a social program, to build a community, to build a society. That is what it is all about.

To run out there and use this very simplistic slogan of why should bank presidents get family allowance or get old age pension is not the issue. The principle is there. The issue is: If we think he should not be getting it then maybe we had better look at the way we tax them and maybe we ought to look at the kinds of things we have been saying in this party for years about fair taxation. Maybe we ought not to let them enjoy the perks of being the president of Inco or the president of a bank by writing off their box tickets at the Blue Jay games against their business expenses. Maybe we ought to take a good hard look at that.

These are the kinds of things we have been saying. I am concerned that in this prescription they have inserted something that will make the condition even worse down the road. What will be next? Is the next one medicare? After all, we could make exactly the same arguments about family allowances and old age pensions. We could make exactly the same arguments on the medicare issue.

Mr. Nunziata: Do you remember the sacred trust, John?

Mr. Rodriguez: Oh, I remember it well. I remember the sacred trust. But that is why they are at 11 per cent now, brothers. This prescription I have said is an 8 per cent prescription. Some Tory asked me: "Does that mean we will go up 8 per cent?" I said: "No, brothers, you will go down to 8 per cent".

If we looked at the diagnosis, we need to let Canadians keep more of the money they earn. I hear them all the time saying: "We have to get the consumer out into the marketplace".

Mr. Nunziata: With what?

Mr. Rodriguez: With what, exactly. That is why he is going across the border. He thinks he is getting a better deal. He is getting more bang for the buck he is spending. That is why the rate of savings for Canadians is not as high as it has been in the past. Governments have been taking money out of their pockets at every turn. Remember, it is not just this government that is taking money from them. The provincial governments, the municipal governments and the school boards are all taking money. There is only one taxpayer.

Yes, a New Democrat is telling you that, brother. There is only one patient. He has only one artery. He has only one heart. When we start bleeding him and, as my friend said, putting the leeches on him we are only exacerbating the weakness of his body, sapping the strength from his body.

An hon. member: Rigor mortis is imminent.

Mr. Rodriguez: We say: "Why not? What an opportunity to give a boost to the economy". The diagnosis recognizes that in fact the patient needs some resuscitation and needs to keep more of the money he earns. In this valley of tears when people are losing their jobs and industries are going, is it not an amazing fact that the only people making money are the bankruptcy trustees? One bankruptcy trustees said: "I've got so much business I don't know where I'm going to get the help to do it".

Another amazing thing is that banks are now making fantastic profits on service charges. This budget did not touch the rich at all in this country.

I have long thought that it is all part and parcel, where the Liberals in the past have always very overtly put on an incomes policy called wage controls because they never controlled prices. My Liberal colleagues who are sitting to my right, appropriately, brought in wage controls right up front, even though they ran a campaign against it. That is another story, but they did it.

Mr. Nunziata: A material change in circumstances.

Mr. Rodriguez: A material change in circumstance, right on.

Mr. Nunziata: Do you want to talk about Bob Rae now and what he is doing to Ontario?

Mr. Rodriguez: The Tories looked at this experiment and saw that it did not work. We have to give them credit. They are very perceptive. They saw that this would antagonize the 11 per cent that support them and that it would erode them down to zero. What have they replaced it with? A new incomes policy. What is the incomes policy? We keep this inflation rate right down below 2 per cent. We let the economy just stay flat and we have this large pool of unemployed people. We keep a large pool of unemployed people. We squeeze them. We put them right on the edge of poverty and just squeeze them there.

It is obvious that when employers come to them and say "I'm sorry, it is either you take a wage cut or it is the door", they are much more pliable. If they come to them and say "you either cut back on your benefits or else you're out the door", they are much more pliable to do that.

There is a large pool of unemployed folk who are willing to work for whatever they are willing to pay. I have known some young people who are willing to work for nothing, just to get the experience. I have even known of a case where a person is paying the employer to give him the job.

I saw a sad case in the United States and I can see it coming here. I came off one of the highways in Fort Lauderdale and to a stop sign to go into the town. There was an older woman standing with a sign around her neck saying: "Hire me please. I need to work. I am hungry".

What a plea. I can see that if we continue with the kinds of prescriptions that are in this budget that Dr. Maz and Dr. Crow have put on us, it is going to very quickly require the only people who are making money—

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

Hon. Alan Redway (Don Valley East): Mr. Speaker, we have just had a very entertaining speech from the hon. member for Nickel Belt.

The test of this budget is not going to be the way in which the opposition members condemn it, nor the way in which the government members praise it, but rather whether or not this budget gets the Canadian economy moving again so that it produces jobs, jobs, jobs.

• (1330)

Frankly, in my own riding we have been devastated by this recession. A few days ago eleven of my constituents came to see me. Seven out of those eleven were without work. These were people who had worked all their lives. They wanted to work. They did not want to be receiving welfare. They did not want to be receiving unemployment insurance payments, but they were. They wanted to get back to work but could not because there were no jobs available.

Across the street from my constituency office in the O'Connor–Bermondsey, East York–North York industrial commercial area, literally one–third of all the plants are closed.

It was because of that situation that I wrote to the Prime Minister on January 8, 1992. In that letter I said: "Among the 17 larger advanced industrial countries in the world Canada has the highest unemployment rate. This is clearly unacceptable".

The Prime Minister wrote back to me on February 24 and he said among other things: "I agree with you that the current level of unemployment in Canada is clearly unacceptable. Reducing it must be at the very top of our policy agenda".

In my letter to the Prime Minister I went on to point out some of the ways which I believe we could deal with this situation.

I said that if business were to expand production and create jobs we needed to increase consumer spending. We can do this immediately by allowing 5 per cent down payments for first-time home buyers, by using RRSP capital for down payments for first-time home buyers, by substantially narrowing the differential between Canadian and U.S. interest rates, by cutting personal income taxes, and by instituting a $14 billion municipal public works program.

This $14 billion expenditure will not increase our deficit. According to Professor Pierre Fortin of l'Université du Québec à Montréal he has calculated that if Canada's unemployment rate was only 7 per cent rather than 10 per cent as it is now, our federal deficit would be reduced by some $14 billion annually. This is because fewer people would be receiving unemployment benefits and welfare payments while at the same time tax revenues would increase.

As well, Professor Fortin calculated that if the differential between the Canadian and U.S. interest rates was reduced from its present 3 percentage points to one-half of a percentage point as it was during the 1970s, the resulting Canadian corporate and other tax revenue increase would cut our deficit by a further $12 billion annually.

On February 3, 1992, the government responded to the first of my points by introducing a plan for 5 per cent down payments or 95 per cent mortgaging. Then in the budget on February 25, the government announced a program for the use of Registered Retirement Savings Plans for down payments for the purchasing of principal residences.

Since January 8, 1992, when I wrote to the Prime Minister, the value of the Canadian dollar has fallen from 87 cents U.S. to below 84 cents U.S. now and it was 89 cents U.S. a short time ago.

In addition, again in the budget of February 25, the government announced a personal income tax reduction whereby the surtax will drop from 5 per cent to 4 per cent on July 1, 1992 and to 3 per cent on January 1, 1993. That will put an extra half billion dollars in the hands of Canadians during the fiscal year 1992-93 and $1.2 billion each year after that.

Unfortunately, in my view at least, there was no announcement of a public works program. But fortunately the government did not close the door and the budget did not close the door to something in the way of a public works program on infrastructure in the future.

In his budget speech the Minister of Finance said: "We are, for example, working with the private sector to develop airport infrastructure. We are actively pursuing building a fixed link from the mainland to Prince Edward Island with private sector financing. We are prepared to work with the provinces to explore ways by which the national highway system might be upgraded in a fiscally responsible manner".

In addition to the points I raised in my letter to Prime Minister, I also have raised in this House two other concerns that I believe stand in the way of our economic recovery.

The first has to do with the level playing field of corporation taxes between the United States and Canada. You will recall that on February 10 of this year I said that one reason businesses move to the United States was taxes.

Prior to 1986 the average U.S. corporate tax rate was 51 per cent, while the comparable Canadian rate was 48 per cent. Today the U.S. rate is approximately 39 per cent, compared with a 42 per cent Canadian rate. Our corporate tax rates previously lower than the United States are now higher. When withholding taxes as they affect Canadian subsidiaries of U.S. corporations are taken into account, Canadian rates are substantially higher than U.S. rates. No wonder we are losing jobs.

Again, the budget responded to that issue. In his speech the Minister of Finance said:

> To help the Canadian manufacturing and processing sector meet the challenges of globalization, the manufacturing and processing tax rate will be reduced from 23 per cent to 22 per cent, effective January 1, 1993, with a further reduction to 21 per cent on January 1, 1994.
>
> The capital cost allowance rate will be increased for manufacturing and processing machinery from 25 to 30 per cent, effective for acquisitions made after today.
>
> New activity in all sectors will be encouraged by reducing the withholding tax rate on direct dividends to 5 per cent. The government is prepared, in tax treaty negotiations, to begin reducing the rate on January 1, 1993. This will help Canada compete for international direct investment. It is particularly important now, as international businesses restructure their world-wide operations.

Again I raised another concern just prior to the budget, on February 25, and that had to do with the question of the financing of small businesses.

In my statement that day I said that since the beginning of 1991 the Bank of Canada and the chartered banks have been steadily lowering their interest rates, but the banks still have the credit squeeze on. No loans for inventory, no lines of credit. It is asset based, fully secured loans only.

Again in the budget speech the Minister of Finance responded to that and said that the government was announcing two measures to help small business.

The small business financing program will help small business in financial difficulty, including farmers, to obtain loans at lower rates. In addition, the ceiling for loans to individual small businesses under the Small Businesses Loans Act will be doubled from $100,000 to $200,000.

Clearly the Minister of Finance and the government have acted on the suggestions that I have made and on the suggestions that many others have made with respect to how to get the economy moving again.

Understandably the opposition wants more. It wants the government to do more. That, of course, is a job of the opposition. It is its job to oppose.

As I understand it, the Leader of the Official Opposition, when asked what his policy is, has said: "Well, if the government is for it, I am against it". That, of course, is the nature of our system, regrettable as I personally believe that to be and as I think more and more Canadians believe it to be.

I hope members of Parliament from all parties will start to work together in the days ahead for the good of Canada and for the good of Canadians.

The government has taken a number of initiatives. It has taken those on the assumption that recovery is either under way already or all it needs is a modest nudge.

• (1340)

Hopefully that advice has been the right advice. If it is not, I hope that the government will be prepared to take further action and take it rather quickly. But the proof is not in what we say here; the proof is whether this budget gets the economy moving again and whether or not we get jobs, jobs, jobs.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I would like to pose a couple of questions to the hon. member.

He has talked about the banks and financing for small businesses, which are of extreme importance. I am sure he agrees that today our chartered banks are pretty tough on small businesses. Cash is very tight. Small businesses are finding it very difficult not only because taxes are high but also because they are trying to wade through the recession with all the difficulties it presents to them.

I wonder if the hon. member could tell us whether there should be more measures taken. What additional measures could be taken to loosen up some finances for small business?

Surely the government could have done more than it did without actually costing the taxpayers of Canada more money. Of course, in times of recession the secret is to loosen up the money and get it flowing into productive areas. We know that small business has been one of the most productive parts of our economy over the years.

I would also like to ask him if he felt that the government should have taken a serious look at the Federal Business Development Bank. It was initiated to be the bank of last resort for businesses and entrepreneurs. Is there not something that could be done there that the government did not do?

Finally, in the area of research and development, I must remind him and the government that in 1984 they travelled across this country campaigning in that election. They were going to do wondrous things for research and development.

They did not campaign on the basis that it was going to be private enterprise money. They campaigned on the basis that there was going to be 3 per cent real input into research and development from a Conservative government.

This has never been the case. Right now research and development is at one of the lowest ebbs of public funding in our history. We all know as we talk about competitiveness in the world that research and development are key. They are almost the motor that drives the whole organization. If you do not have that, you are not going to keep pace today.

Would the member tell us why the government did not do more about promoting research and development and giving the industrial community of Canada and research institutions a little more spurring on? Surely this would bring dividends back. It is an investment rather than a spending of money.

Mr. Redway: Mr. Speaker, I thank the hon. member for his observations and his comments.

Unfortunately in my view the approach that he has taken is a typical opposition approach. I think the time has come for all of us to try to get together and, as the hon. member who spoke before me said, be more co-operative in this House. We should work together for the benefit of Canada and all Canadians.

It is not just a question of more, more, more or oppose everything that is said; it is a question of let us try to get the problems of the country dealt with and dealt with properly.

I know the hon. member was listening to me very carefully during Question Period on February 25, prior to the budget, when in fact I spoke on this issue of small businesses and the difficulty they have in receiving financing. I talked about the role the Federal Business Development Bank should be playing in that process.

I just go on to quote the balance of my comments that day. I said that unfortunately the policies of our lender of last resort, the Federal Business Development Bank, are no different from those of the chartered banks.

If we are ever going to get the economy going again or even save what we still have, the banks will not help. If the banks will not help, then the Federal Business Development Bank must lighten up its lending policies.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, it is a privilege for me to rise in this House today to participate in the 1992 budget debate.

This budget demonstrates that a prudent, consistent, fiscally responsible course of action is the road to economic recovery and growth.

Since being elected as the member for Wild Rose in 1988 I have spent a great deal of time consulting with my constituents about the affairs of government. They have expressed a desire for government to be responsible and responsive.

All Canadians, especially in these tough economic times, are familiar with the difficulties in balancing a budget, whether it is personal or business. I believe this budget provides realistic and lasting solutions that will ensure our economic recovery.

Canadians are adamant in their desire for an effective and efficient government. They want a government that does not duplicate or overlap services. They want a government that is dedicated to the elimination of the public debt. The Minister of Finance, through this budget, has assured Canadians that this government is on the right track.

This budget addresses spending cuts, reorganization and restraint throughout the government. It starts with the elimination, consolidation or privatization of 46 agencies, boards, commissions, corporations and advisory bodies. It cuts non-wage operating budgets in government departments by 3 per cent, reduces international travel and the eliminates first-class travel for members of Parliament, senators and senior public servants. Last fall it put a freeze on ministerial, parliamentary and public service pay to help curtail spending.

These steps will curb government spending and enable this government to reduce the deficit by $4 billion in the 1992-93 fiscal year and a further $5 billion in the 1993-94 year.

This is a budget prepared for the people of Canada. It is a budget about people, programs and services. The Minister of Finance spoke in his budget speech about an expenditure control plan that was introduced in the 1990 budget. His remarks were to reassure Canadians that this government would not be cutting services to Canadians. Instead, government departments would be offering more efficient service.

The control plan would be left in place, but it would continue to look after the highest priority programs. These areas include major social transfers such as elderly benefits, family benefits, veterans allowances and pensions, unemployment insurance benefits and certain transfers to provinces, equalization and Canada Assistance Plan transfers to equalization receiving provinces.

• (1350)

The many changes that have taken place in the world during the last year have made it possible for this government to alter certain areas of expenditures and internal structure within our Armed Forces.

The budget addresses the recommendations made by the defence review last September which redefines our defence policy. The budget cuts defence spending by $2.2 billion over the next five years while still providing security at home and maintaining our commitment to NATO.

These strong measures have been necessary. In this budget the Minister of Finance has used sound judgment. There are no huge giveaways and no major new initiatives to increase our debt; just good, strong, solid common sense on how to get the most benefits for our tax dollars.

This budget also promises stability and shows signs of recovery for our economy. Because we have been prudent the budget offers incentives and benefits in areas where Canadian families interact with the government.

The Minister of Finance has found ways to encourage families concerning their financial situations. He has made changes to our tax system that will ensure that Canadian taxpayers will have their personal income taxes cut through a reduction in the surtax.

This budget has provided assistance where it is most needed. Lower income families and children will benefit. There will be one monthly child benefit that will not be subject to tax. Children under the age of 18 will be eligible. The new benefit will include a new earned income supplement of up $500 per year for low income working families with children. This benefit will provide as much as $144 per month or $1,733 per year per child.

The child care expense deduction takes on a new look as it increases to $5,000 for each child under seven and $3,000 for other eligible children.

The need for a fairer and more consistent tax treatment where common law and married couples are treated the same has long been evident. The minister in this budget has found the necessary formula.

The introduction of a home buyers plan allows Canadians to use their existing RRSPs up to $40,000 per couple to buy or build a principal residence. Some people may say it is an unwise move to use retirement money to invest in a home. I say the Minister of Finance has very wisely added some restrictions that will ensure funds initially put aside for retirement will be paid back.

The limit for lifetime capital gains exemption has been changed. It is still $100,000 but some of the rules have changed. For instance, capital gains accrued on real estate after February 1992 will no longer qualify for this exemption. Gains accrued prior to March 1992 will qualify.

Canadians should note that this restriction does not apply to real estate used in an operational business. It does not affect the $500,000 exemption for small business or qualified farm property. Principal residences will continue to be fully exempt from taxes on capital gains.

The manufacturing and processing industry has experienced a very difficult time during this economic slowdown. The budget will provide the incentive and ability needed to put this industry back on a stable footing in a very competitive marketplace through reducing the manufacturing and processing tax rate from 23 per cent to 22 per cent as of January 1, 1993 and 21 per cent as of January 1, 1994.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I listened with interest to the hon. member. She indicated that the budget was prepared for the people of Canada.

In this country we have 1.5 million unemployed people. The unemployment rate in my province is over 16 per cent. That is a very serious situation but it is a situation that this government has not addressed. It is not dealt with in the budget because there is simply no plan to get people back to work.

I want to ask the hon. member who as I said has indicated that the budget is prepared for the people of Canada, what hope is offered in the budget for the 1.5 million unemployed people in this country?

Mrs. Feltham: Mr. Speaker, in 1984, when we looked at the problems this government would encounter over the next number of years, we had to make a decision on what this government would look at as far as fiscal responsibility was concerned.

Not only did we inherit a debt of $200 billion, plus the interest that was accumulating, but we also inherited a $16 billion program for which there was no money.

Over the number of years this government has been in power we have looked at ways of reducing or eliminating the $16 billion in programs for which there was no money.

After that was done, we then looked at ways and means that we could continue to support the people of Canada with additional programs that this government felt were necessary.

Over the last few years we have looked at unemployment insurance and a number of issues to help the people who are temporarily unemployed. We have looked for ways and means whereby we could put into place responsible agencies and groups.

We have looked at how we can help small business and large business to provide jobs for the people of Canada.

I feel this budget does give a good economic stable basis for the future and this will help all Canadians.

The Acting Speaker (Mr. Paproski): It being two o'clock, the House will now proceed to Statements pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

TRIBUTE TO NATIVE WOMEN

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, this year Health and Welfare Canada celebrated International Women's Day by paying tribute to eight native women leaders who were proposed by native women's associations and department officials.

On March 6, 1992, Health and Welfare Canada awarded certificates of merit to Bibiane Courtois, Joanne Francis, Joan Glode, Martha Greig, Jenny Margetts, who unfortunately is now deceased, Jacquelyne McPherson, Gail Stacey-Moore and Mary Sillett, in recognition of their contribution to better health and social conditions for Canadian women, their families and communities.

[*English*]

THE LATE MENACHEM BEGIN

Hon. Bob Kaplan (York Centre): Mr. Speaker, I rise to note the passing of His Excellency Menachem Begin.

A pioneer of the state of Israel who rose to be its prime minister, his leadership earned the Nobel Peace Prize for securing peace along one of Israel's borders. In the event he showed flexibility and willingness to compromise for peace, which in a better world would have brought peace with all Israel's neighbours. He was a great man.

I had the pleasure and honour of receiving Mr. Begin during several of his visits to Canada, once as head of government, and of being received by him in Israel. He admired this blessed country of Canada, not least our good fortune to live so far from theatres of war.

He and his beloved wife Aliza knew little peace in life. From prison and torture in Europe they fled to Palestine with a clear Zionist vision of Israel, and they struggled to build it.

Little Israel, which in total is about the size of Lake Ontario, has produced more than its share of leaders of world stature. Menachem Begin will always be remembered as one.

* * *

THE ENVIRONMENT

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I am upset with the way the environmentalists like the International Fund for Animal Welfare have begun again to misrepresent the facts about the sealing industry and the Newfoundland fishermen.

This is much like the situation back home. Wolves and foxes in Timiskaming have become troublesome to area farmers and tourist operators. Green Peace's unrealistic solution to this threat is to neuter the animals and release them. I tell Green Peace this does nothing for the wolves' appetites.

It is just like Green Peace's solution to Newfoundland's cod stocks and the abundance of seals off the east coast. It is shameful and I say that ignorant environmentalists have done enough damage. They know nothing about resource management. They do not accept that man can use its resources.

Until greenies realize that there is room for responsible management of our fish, fur and forestry, they have no right dictating solutions to Canadians. Canada was built on these resources and there are many who still depend on their development.

We Canadians from such regions of the country have a right and should be allowed to live from the land and develop it as we have for hundreds of years.

These ads are just plain shameful.

* * *

INTERNATIONAL WOMEN'S WEEK

Mrs. Christine Stewart (Northumberland): Mr. Speaker, recognizing that this is International Women's Week, I would like to take this opportunity to focus on Third World issues.

Women world-wide represent half the world's population but contribute two-thirds of the world's working hours and raise half of the world's food. In Africa women produce 80 per cent of the food and in Asia, 60 per cent of the food.

Women are recognized world-wide as the principal child care providers, yet in the Third World they receive only the leftovers in resources, nutrition, health and education. Inadequately provided for themselves, they are unable to nurture their exploding numbers of children properly.

Women must be allowed to be equal partners in decision making. Without adequate recognition within the Third World and donor countries of how existing systems exclude women and perpetrate the cycle of poverty and environmental degradation, our global community will be at increasing risk.

The cycle must be broken. Third World women's issues must be addressed with priority emphasis—

The Acting Speaker (Mr. Paproski): The hon. member for Beaches—Woodbine.

* * *

COURT CHALLENGES PROGRAM

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, former Supreme Court Justice Madam Bertha Wilson has written to the Minister of Justice expressing her dismay and distress over the recent cancellation of the Court Challenges Program. She goes on to say:

> I have on numerous occasions publicly expressed the view that it is totally illusory to confer rights on people who do not have the means to enforce them. I saw for myself when I was a member of the Supreme Court how invaluable this program has been to minority groups and to the disadvantaged. It has clearly been well and efficiently administered and has resulted in an excellent input into many very significant 'test' cases. I am sure that my former colleagues on the Court, if asked, would confirm that view. If there is any possibility that the government's decision on the Court Challenges Program might be reversed, may I respectfully add my voice to what I am sure is a chorus of disapproval of the cancellation of this very imaginative and worthwhile program.

* * *

SENIORS

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, our seniors are special people who deserve the very best we can give them.

Until 1986 the Government of Alberta provided lodges for all senior Albertans who wished to use them. There was no discrimination or means testing; everyone was treated equally.

That has now changed. Seniors must have means tests when applying for residency in a new or renovated seniors lodge. Is this short-sighted? Where will middle income seniors reside in rural areas? Will medical costs increase for those who are refused accommodation? Will nursing homes be substituted?

Lodges are essential for all seniors in rural areas. There should be no means tests or refusals. We must recognize those who contributed so much to Canada's growth.

* * *

EMISSION STANDARDS

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, on February 20, the Minister of Transport claimed Canada's new emission standards for cars would be the most rigorous in the world. This is a sham. Standards are only as good as their testing, and in this case the government is using gasoline for emission testing that is not available in Canada.

The Canadian government cross-border shops for its test fuel to get MMT-free gasoline. If it used gasoline containing MMT, Canadian automobiles would not pass the emission tests.

MMT, in addition to being a suspected health risk which has been banned in the United States since 1978 for its damaging effects on the pollution control devices of cars, boosted hydrocarbon emissions by up to 27 per cent according to the government's own testing in 1985.

Instead of waiting until 1996 to cut hydrocarbons in the lab by 29 per cent, I call on the minister now to ban MMT and cut those emissions by as much as 27 per cent.

It is time the government came clean on its emission testing standards and revealed just how bad MMT emissions really are. Faking emission testing will not help the environment; real cuts will.

* * *

[*Translation*]

SPONSORS

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, today I would like to point out the important contribution, which unfortunately is too often overlooked, of those who support the Canadian sports community. Of course I mean the many sponsors. As much as the athletes, they deserve our sincerest thanks and congratulations.

For example, they make it possible for young soccer players to enjoy their sport on Canada's many playing fields in the summer. They help provide refreshments, equip them and transport them to sports meets outside their community. They also co-operate in many receptions to honour the most deserving players and they help leading athletes reach the top of their field. In short, they help our young people fufil their dreams and make it as far as the Olympic level.

Although they give considerable amounts, we are grateful to them much more for their deep commitment to the basic values of amateur sport. They thus help make Canada a better country in which to live.

[*English*]

SENIORS

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, in the budget the government cut the seniors independence programs by over 22 per cent.

The Minister of State for Seniors should be well aware that the one thing seniors want the most is independence. Seniors deserve the right to live their lives as they choose and they want the government to support that objective. The Seniors Independence Program and Seniors Independence Research Program are important in meeting this objective. Seniors want to remain independent and live in their communities as long as possible.

The minister must commit the government to the independence of seniors and restore funding to these two important programs. Supporting the independence of seniors is a step in the right direction, but with these cuts the government has taken a giant step backward.

I urge the government to reverse this decision and to support seniors.

* * *

WORK PLACE SAFETY

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I would like to call to the attention of the Minister of Labour a dispute that is ongoing between Labour Canada and CAW representing railway carmen. It has to do with the presence of PCBs in paint on rolling stock that carmen are being called to work on.

On numerous occasions carmen have expressed their concern about this matter. There is growing anxiety and even anger among them that Labour Canada does not appear to want to take an interest in this issue. Labour Canada does not exist to defend the interests of the CPR or the CNR. It exists to enforce existing rules and to make sure that there is such a thing as work place safety and health.

I call on the minister to take an interest in this issue by making sure that something is done about the information that has come to light about PCBs in paint on certain cars, and most recently with respect to truck sides that carmen have to work on. I hope the minister will soon do something about this and have Labour Canada live up to its mandate.

DAIRY FARMERS OF CANADA

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, in 13 years as an MP I have never been exposed to the hypocrisy and cynicism as that practised by the leadership of the Dairy Farmers of Canada.

• (1410)

I refer to the TV clips and full-page newspaper ads purporting to show an existing and lovely dairy farm deteriorating into an old, abandoned dairy farm. They blame the government and its GATT proposals.

In fact, the so-called abandoned farm in the ads is an existing but abandoned farmstead that got that way under the current supply managed system. Indeed, they hauled in the weeds to make it look worse.

The so-called existing and lovely dairy farm in the ads was the result of spending many thousands of dollars clearing out the weeds, repairing and painting the abandoned house, barn, fences, et cetera.

The deceit of the dairy leadership is an insult to Canadians in general but especially to the honest and well respected men and women who daily work long and hard hours to provide safe and healthy milk for us all. Shame on the so-called dairy leaders.

* * *

CANADIAN BROADCASTING CORPORATION

Mr. John Manley (Ottawa South): Mr. Speaker, an Ottawa business was recently denied an opportunity to air a commercial showing its concern for and support of a united Canada.

The CBC refused to air the ad, citing a policy that prohibits the advocacy of a point of view or course of action on a public issue. This is the message that Mr. Brian McGarry wanted to deliver:

> Now is the time to examine, not those things which divide, but rather those things which unite us. Our common Canadian heritage makes us one of the greatest nations in the world. For nearly 125 years, Canadians have stood together through good times and bad. The task has never been easy, nor will it be in the days ahead. We must unite to ensure this family of ours stays together.

Have we really reached the point where we cannot say "I love Canada" on our national network? Is this what the government had in mind when it removed national unity from the mandate of the CBC?

I am appalled. One wonders what will become of the CBC itself if Mr. McGarry's heart-felt message is not heeded.

* * *

THE ENVIRONMENT

Mr. Stan Wilbee (Delta): Mr. Speaker, the issue of the environment is one that is of increasing importance to all Canadians.

However, as our cities continue to grow and this increased urbanization creates a challenge of environmental protection, careful planning becomes essential.

From March 15 through to March 20 a conference will be held in Vancouver to discuss these vital issues. The Global Parliamentarians Conference on Human Settlements and Sustainable Development will attempt to analyse the inter-relationships among human settlements, environment and development with particular interest to my province of B.C.

One of the three areas of the world that the conference will be concentrating its work on will be the Vancouver to Seattle corridor. As my Delta constituents know, this is one of the fastest growing regions of the developed world. Environmental concerns are important as this region expands. Delegates from 60 to 65 nations around the globe will attend and the Canadian delegation will assume leadership.

I would like to encourage all my colleagues to attend this important conference as well as the Globe 92 conference.

* * *

REFORM PARTY

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, Reform Party members in Manitoba are like a bunch of retreaded tires. History shows what happens to retreads: They blow their side-walls, they slip their belts, and they lose their grip.

First Mr. Manning ditched four national executive retreads from Manitoba. The news in Manitoba today has blow-outs by a large number of retreads from the ridings of Winnipeg South, Winnipeg St. James and Selkirk—Red River; they have separated from the rim.

Now Preston Manning and his retreads are preaching to seniors to give their inheritance to the party instead of to their loved ones. This reformed tire company is on its way to the grinder. It will all end up as tar and asphalt from which it came.

* * *

CANADIAN NATIONAL RAILWAYS

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I would like to bring the deplorable situation faced by CNR pensioners who have suffered 30 years of non-indexed pensions to the attention of the House.

In 1986, a subcommittee of the Standing Committee on Transport unanimously recommended, among other things, that the pension fund could and should take inflation into account. It also recommended that the surviving spouse should receive more than 50 per cent of the retiree's pension.

To date, none of the recommendations have been addressed in the spirit which the committee intended. The CN pension fund has a total value of over $7.25 billion, and yet the pensioners and their families who gave their lives to the railroad are forced to try to exist on pensions which are woefully inadequate.

The surviving spouses' benefits must be raised. In fact, if they were raised to the standard level, most of these widows would not have to receive the Guaranteed Income Supplement. It is time the CNR started treating its past employees and their families fairly and stopped forcing the Canadian taxpayer to subsidize CNR pensioners.

* * *

[*Translation*]

MEMBERS' EXPENSES

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, today, like thousands of other Canadians, I read Gilles Paquin's article in *La Presse* under the heading: "MPs and senators spend more".

For months I have been saying we could cut down on our expenses in Parliament, considering the present state of the economy, but this article confirms there has been no real attempt to cut expenses in a number of areas.

I have repeatedly suggested to the Board of Internal Economy how we could save taxpayers' money. In 1991 I was the first Canadian member of Parliament to disclose my expenses, and I take pride in showing my books to the people in Abitibi. They know I have nothing to hide.

I would like the Board of Internal Economy of the House of Commons to send me, as soon as possible, a copy of the budget for MPs' expenses for 1992–93.

ORAL QUESTION PERIOD

[*Translation*]

TRADE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister for International Trade. We have asked the government to resort to retaliatory action against unfair trade practices by the United States, following incidents involving softwood lumber, Honda cars and magnesium. Today we are told that cabinet will meet to reassess the kind of retaliatory action Canada might consider. Since cabinet is considering such action, does this mean the government admits that the agreement it negotiated is no good? Is the government admitting this agreement contains no effective remedy against unfair practices by the United States?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I do not accept that at all. In fact Canada, as a result of the free trade agreement with the United States, is the only country in the world that has access to a binding dispute settlement mechanism which is better than what is available in the General Agreement on Tariffs and Trade, the GATT.

Under the GATT, countries that are found guilty of any illegal trade actions can put off taking action, can put off remedying the problem that they have been found guilty of. That is not possible under the free trade agreement. That is the benefit of the dispute settlement mechanism under the FTA. I repeat, Canada is the only country that has this.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I can see the embarrassment of the minister. I remember very well the Prime Minister standing in this House on December 22, 1988, when talking about free trade, and saying: "We will have a genuine shield against new U.S. protectionism, whether from Congress or the administration".

If that so-called shield against U.S. protectionism is so great, why has the cabinet gone into hiding to decide if and how it will retaliate against the Americans?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the cabinet is not in hiding. The cabinet met this morning. The cabinet will meet on Thursday. The cabinet will meet a week from today to deal with the various issues of government.

As far as my hon. friend's question is concerned, do we have a shield? Yes, we do have a shield. The shield is called the binding dispute settlement mechanism which was in force. As my hon. friend recalls, last year there was a very strong push from the Americans to take action against our pork exports. We took it to the dispute settlement mechanism. We took it right to the top of that, and what happened? We won. If we did not have the free trade agreement, we could not have taken it to that dispute settlement mechanism. We would have lost and the pork farmers of Canada would have had a countervailing duty which we could not have got out of paying.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to see the minister tell that to Canadians who are losing their jobs, one after the other, every day. We want to know from this government when it will wake up to that reality. Will it wait until we have two million people unemployed in Canada to fight this sanction by the Americans? Never have we seen the Americans so aggressive against Canadians since you made that crazy deal with them.

• (1420)

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I ask my hon. friend to go and make the statement he has just made to the pork producers of Canada. He will find that the pork producers of Canada are very pleased with the free trade agreement and the actions that this government took in defending their interests against the Americans under the free trade agreement with the binding dispute settlement mechanism.

Mr. Chrétien: It's not working.

Mr. Wilson (Etobicoke Centre): My hon. friend says it is not working. Ask the pork producers whether it is working. They will tell you that it is working.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to pose a question to the same minister. The government seems to be at a total loss at finding any way of standing up for Canada on this crucial issue.

I want to ask the minister this. Under the 1971 Employment Support Act passed by a Liberal government, federal authorities have a right to provide financial assistance directly to any industry "whose exports are subject to unfair duties and harassment by foreign countries". Considering the mess that the government made of this entire dispute by signing the softwood agreement, will the government now invoke that Employment Support Act to provide direct assistance to industries and workers so that they can maintain their employment and maintain their production? Will this government stand up for these industries and not allow another government to dictate to us what our natural resource policies should be?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, that is precisely why we terminated the memorandum of understanding on softwood lumber so that the resource policies would be established in provinces in Canada and not by Washington. That is precisely why we terminated that agreement.

My hon. friend asks are we sitting back or are we standing up for Canadian interests. We are standing up for Canadian interests. That is why we terminated the memorandum of understanding. That is why on the Honda issue we have issued two strong statements to the United States government and why we have had a series of meetings since then to try to resolve this issue. That is why in the case of the softwood lumber issue we have bound together a coalition of the provinces and the industry affected and are taking that same strong, united position.

What I hear from the Liberals on the other side is that they do not want to see a united position. They want to see the whole matter collapse so that we will not win, but we are determined to beat this one.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, what this government seems to be trying to say is that the mess it has created it is now trying to mop up. The victims of that will be the workers in the softwood lumber industry who will have to pay the price with the loss of their jobs.

I want to ask the minister again: Will he listen carefully, rather than flying off on his own direction? There is an act under the federal statutes, the Employment Support Act, which gives this government the right to provide direct financial assistance to help industries pay bonds, to keep workers on the job, to provide financial assistance while we go through this dispute.

If the minister wants to stand up for Canada and its workers, is he prepared to invoke that act and use the authority he has to defend our rights as a sovereign country?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the answer is yes, I am aware of that act and yes, that is an option we can use. But that is only a very small part of the battle that we are taking on this to the United States.

We are dealing with it, as far as the industry and the provinces are concerned, in the broadest possible way to ensure that a strong, united Canadian position is put forward to the United States administration and dealing with the efforts of the Prime Minister in speaking directly to the president.

I do not recall one time when the former Prime Minister who was sitting here, Mr. Trudeau, ever picked up the phone and dealt with the President of the United States in dealing with any trade issues.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister. It is clearer every day that people see what a bad deal this Canada–U.S. trade deal has been for all sectors of the economy.

I want to quote the comment of a former deputy chief negotiator for the trade deal who said that the trade deal was based on two principles, that the trade barriers would come down and the trade barriers would not be put up again in a capricious manner. The former deputy chief negotiator said that both of these principles have been broken by the United States and that "Canada is being treated significantly worse than other trading partners". Despite what the minister wants to say, Canada is getting the bad end of a bad deal. I want to ask the Deputy Prime Minister if the government will finally admit that the deal is a failure, that we want fair trade with the United States, scrap the Canada–U.S. trade deal, pull out of the NAFTA talks and send a real message to the United States about where Canada stands.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I do not quite understand the Leader of the New Democratic Party. Exports are up since 1988, the year before the free trade agreement came in. Our trade surplus is up. The net investment flows into Canada are up all of them helping to increase economic activity in Canada over what it would have been if we did not have the free trade agreement.

Now I hear my hon. friend saying she does not want to have the free trade agreement. She is saying that, I presume, under the full understanding that if we do not have the free trade agreement, we do not have the dispute settlement mechanism. If we get a decision on the countervailing duty on the softwood lumber, that is it, there is no further appeal. With the free trade agreement we have that further appeal. We have the option to go to the dispute settlement mechanism as we did with the pork countervail action. We were successful there and we are going to be successful in the softwood lumber issue as well.

Hon. Audrey McLaughlin (Yukon): The minister talks about dispute mechanisms around the softwood lumber issues. As he knows, we were involved in a dispute mechanism settlement with GATT from which this government withdrew in favour of the Canada–U.S. trade deal. Canadians want to know why this government has not shown one thing resulting from this Canada–U.S. trade deal other than high unemployment, a high dollar, a high interest rate for Canadians.

Will the government stand up for Canadians? Will the government stand up for fair trade, withdraw from the NAFTA talks and send a real message to the United States?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I heard two things from the member for Yukon. One, she is saying in 1986 we withdrew from a settlement. In 1986 we did not have the dispute settlement mechanism. We have that now so we now have some protection, protection that no other country has. The GATT does not provide the same sort of protection. The GATT is not a binding settlement mechanism.

I think I heard her say that we withdrew from the GATT. We did not withdraw from the GATT, but the GATT dispute settlement system does not provide us with anything like the protection that the dispute settlement mechanism does for Canada in the free trade agreement with the United States.

Hon. Audrey McLaughlin (Yukon): The protection seems to be protection of the unemployed, if we talk to a million and a half Canadians and all of those people in manufacturing industries.

[*Translation*]

Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

Yesterday, in referring to Mexico, the Prime Minister said that a trade agreement was a healthy way to develop a country. Today, however, it is reported that in areas where a free trade agreement already exists, such as the Maquiladora zone, many babies are born with serious defects as a result of environmental conditions.

How can the Deputy Prime Minister and his government believe this kind of horrific situation can contribute to the development of a country?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, together with the Prime Minister, I had a chance last week to meet the mayor of Mexico and also the minister responsible for the environment in Mexico. The Leader of the New Democratic Party should know that they have substantially increased spending in this area in recent years and that President Salinas' administration has been extraordinary in its efforts to catch up in terms of what they need in the way of environmental regulations and enforcement of these regulations.

What we must not forget here is that a country also has to trade with other countries if it wants a prosperous economy. I think we should avoid being paternalistic and giving the impression that if they do business with other developing countries, they will not be as effective as we are on environmental issues.

• (1430)

In fact, the opposite is true. Actually Mexicans feel rather insulted when we try to convince them that where the environment is concerned, their standards and concerns are not as impressive as our own, because that is not the case.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister for International Trade. By taking retaliatory action against the softwood lumber industry in Canada, the U.S. government is interfering in Canada's domestic affairs. This kind of provocation and attempt to undermine Canadian sovereignty cannot be allowed to go unanswered because next year the industry will lose about $430 million.

How does the minister intend to help plant owners who may have to close down and 1,000 employees who stand to lose their jobs?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, putting our trade in softwood lumber on a normal trade basis with the United States is the best thing we can do for the softwood lumber industry. That is precisely why we terminated the softwood lumber memorandum of understanding.

The United States has responded with this countervail action. We have demonstrated we are going to fight to the very best of our ability, using all the tools at our disposal, using the resources of the industry and the provinces as well as the federal government. As well we have friends in the United States who support the position of the Government of Canada.

That is the best thing we can do to maintain our rights as a sovereign nation, through the provinces with their forest management practices to maintain their sover-

eignty to manage those resources in the way they think best without having to deal with Washington.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, the Canadian lumber industry has and is being held hostage by American domestic politics of protectionism. Thousands of jobs have been lost and more will be lost later.

Given that it is going to take more than a year to settle the issue, does the minister have a financial plan since there is nothing in the new budget to provide help for the owners and the workers who have lost their jobs?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend and I are on the same wave length. We both disagree with the action the United States has taken and we are going to defend the interests of Canada as much as we possibly can, and that is going to help softwood lumber workers.

We also point out to the United States that it is shooting itself in the foot. On the one hand it is trying to get its housing industry going by taking measures to encourage people to buy houses. On the other hand it is encouraging the price of lumber to go up with this action on softwood lumber that is increasing the cost of a house. We are taking that message to the United States as well, as we continue the actions against the countervailing duty. We are going to win this and that is the best thing we can do for softwood lumber workers in Canada.

* * *

[*Translation*]

MONTREAL'S ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, since the Prime Minister is not here, I will direct my question to the Minister of Transport who is responsible for the Montreal region.

According to a document from the Quebec Department of Labour and Income Security, the Montreal region is in such decline that one adult in two does not work and the number of welfare recipients has almost doubled recently.

Will the minister ask the Prime Minister to personally look into this matter, before Montreal becomes another Schefferville?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, one thing Montrealers know is that this government will never behave like the Liberal government of the time and intervene in the middle of the night, through the Senate, to pass legislation preventing Montreal industries from expanding.

Since it was elected, this government has paid a lot more attention to the interests of Montrealers than the previous Liberal government did, and it has invested in industries of the future such as pharmaceuticals, aerospace and aviation. Those industries create the jobs of the future, whereas all the time the Liberal Party was in power there was even more unemployment than now in Montreal.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, greater Montreal provides almost half of the jobs in Quebec. When will the minister take his responsibilities seriously to truly give hope to Montreal and create jobs in that city before it becomes a ghost town?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, all the studies that were done on Montreal indicate absolutely that one thing must be provided in Montreal, that is more training and retraining for workers. Montrealers remember very well that the members opposite prevented large sums of money from being made available for those purposes by opposing Bill C-21, not only in the House of Commons but also in the Senate. That legislation now enables us to provide the necessary funds to address this fundamental problem of training and retraining workers.

* * *

[*English*]

THE ENVIRONMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Minister of the Environment.

As the minister is aware, world-wide ozone depletion means increased cases of skin cancer, immune disorders and also cataracts. It also has terrifying effects on the marine food chain.

In light of European actions on this issue and President Bush's commitment to ban the production and consumption of CFCs by 1995, will the minister today announce that Canada will also implement a ban by 1995?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, we have already indicated several times that Canada has been ahead of the issue as far as ozone depletion is concerned.

In fact, we announced last August through the green plan that we were committing $25 million to the construction of new research facilities in northern Canada and accelerating our regulatory regime.

I will be meeting next week with the ministers of the provinces at the Canadian Council of the Ministers of the Environment. We will examine this issue and hope to make some announcements then.

I do want to point out that by 1995, 85 per cent of CFCs in this country will have been phased out. We are looking at doing whatever we can to be able to go faster.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I have a supplementary question.

In light of those meetings next week, will the minister make some provision for recycling and recovery? In committee he has made some indication that his provincial counterparts were primarily responsible for that role.

Would he be prepared to indicate that in those discussions he will provide the funds to enable them to do that?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, there has been some work done for a national action plan for recovery, recycling and reclamation of chlorofluorocarbons.

This work has been prepared by a federal-provincial working group. We hope it will have completed its work on time so that it can report to the ministers next week. We can potentially make some announcements then.

I should also stress that it is not only in Canada where we have to concentrate our efforts in this area. I would like to remind the member that we contribute to 2 per cent of the problem, but we certainly seem to bear more than 2 per cent of the consequences. We also intend to be active on the international front on this issue.

COURT CHALLENGES PROGRAM

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Finance.

In 1989 in a report on the Court Challenges Program, the Standing Committee on Human Rights said: "The virtually unanimous verdict of witnesses who appeared before the committee is that the reasons for continuation are not merely sufficient but compelling".

The report concluded: "The Court Challenges Program makes the critical difference between access to charter rights and no access".

I want to know why the government cancelled this vital program. Why will the minister not say today that he is prepared to reinstate this program immediately?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I think it is fair to say that over the years the government did finance the Court Challenges Program and participated in several very important law decisions.

We think that now is the time for other levels of government, the Canadian bar and other non-governmental bodies, to which most of the current court challenges pertain, to take a hand and participate in the funding of these matters.

• (1440)

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, nothing the government has done in cancelling this program is fair. This program costs $2 million. The government, this year alone, has increased the litigation budget of the Department of Justice by $16 million.

The government is saying: "It is fair for the government to defend its policies and defend itself, but disadvantaged Canadians have no right to access the charter to defend their rights".

Some hon. members: Hear, hear.

Mr. MacLellan: Why is the government not prepared to use some objectivity and common sense and allow disadvantaged Canadians access to our justice system and reinstate this program?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I appreciate my hon. friend's concern in this particular matter. I can do no more than reiterate the comments I made.

The program, we feel, has come to an end as far as this level of government is concerned. It has served the purpose and we think it is up to other groups to come forward at this time to participate in the program.

* * *

CHILD POVERTY

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, in the absence of the minister responsible for children, my question is directed to the Acting Prime Minister.

This government's thwarted scheme to deindex seniors' pensions is still fresh in the minds of Canadians. Today the same hour-glass approach to cutting child benefits will push the poorest of Canadian children deeper into poverty and despair with each passing year.

I ask the minister why this government has betrayed Canadian children by allowing their futures to decay by 3 per cent every year?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, must I repeat for this House that we believe that children represent the future of our country and that through the budget which was tabled and on which we will vote tomorrow, we are helping families who need social and economic assistance, particularly one-parent families who need additional help.

Too often we forget to mention that this budget contains increased benefits for families and children and that day care services will be maintained through other programs and existing measures. We are working in that direction by way of the budget and of the last social measures.

[*English*]

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, Canadian children know the difference between trick and treat.

The net child benefits for an average income family are worth barely half of what they were seven years ago. These families are teaching their children to be aware of false promises and sacred trusts.

I ask the minister why her government has deprived Canada's children to hide the cost of Tory fiscal failure?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, when speaking about social measures we often tend to think in terms of winners and losers. I would simply like to say that low and middle income families will be winners, thanks to the social and fiscal programs we created for families. Single parents will also be winners.

I maintain it is by reducing the debt and the deficit we inherited in 1984 that we as a government and as a society will succeed in taking on that responsibility and in preparing the future within the context of a healthy economy.

* * *

[*English*]

CROSS-BORDER SHOPPING

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Public Works and it concerns the government policy of cross-border shopping.

The minister will know that Canadian customs uniforms are not purchased in Canada and that various government departments use postal services other than Canada Post. This practice has hit home in our own Parliament Buildings where a Canadian carpet supplier was actually excluded in favour of an American supplier.

Does the minister endorse this practice in the proposed $200 million renovation slated for the Parliament Buildings over the next 10 years? Will he ensure that whenever possible every nail, every litre of paint, every

stick of furniture and every piece of carpet will be made in Canada? If we cannot protect our Canadian interests in our Parliament Buildings where can we protect them?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I agree with my colleague. Certainly I agree with the proposition he has put forward.

I understand from my colleague, the Minister of National Revenue, that the uniforms to which he referred was an experimental or a pilot project. Basically the uniforms are purchased here in Canada.

He talked about a carpet. That was really the option of the contractor. It had nothing to do with the specifications from Public Works. I certainly endorse the policy he has put forward and I would be glad to work with him on it.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is also about cross-border shopping, and I guess it is appropriate to address this one to the minister of energy.

What is the government's reaction to the fact that Petro-Canada, the Canadian company, the company for Canadians, our company, the one with the big maple leaf normally on its trucks as its logo, has sneaked a truck across the border from Windsor to Detroit to buy cheap American gas to bring it back and sell it in Canada? What is the government's reaction to that kind of cross-border shopping?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member makes an interesting point. As I have told him before in the House, Petro-Canada markets in the marketplace as a company. I do not answer for it on every point. In fact even as a privatized company it has a board of directors that now makes that decision.

I say to the hon. member that I am sure he would not mind that gas coming across the border so he could use it in his car, which I understand was not made in this country either.

Some hon. members: Oh, oh.

* * *

DENISON MINES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Employment and Immigration. Tomorrow Denison Mines in Elliot Lake is shutting down its uranium mining operation there, which will result in the lay-off of almost 1,000 workers.

What new provisions is the minister prepared to make to provide employment for these workers? The budget seemed to provide very little in this regard. I want to know what he is prepared to do to provide jobs for this community that has lost almost 85 per cent of its mining jobs.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I am ready to work with the community in question and make available to it all the benefits of the different programs that exist under Employment and Immigration.

I know this is a serious blow to that community. I am ready to work with the hon. member and officials of my department are ready to sit down with those people to see how we can help them adjust to the situation in question.

* * *

ATOMIC ENERGY CONTROL BOARD

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. A week ago the Atomic Energy Control Board announced that it would be shutting down its office in Elliot Lake, Ontario.

I want to ask the minister how this can be justified. We have an operating uranium mine. We have a uranium refinery. We have three mines which are to be safely decommissioned. How can the minister justify having the control board pull its office and its monitoring facilities out of that community at a time when they are desperately needed? How can he justify that? How can he justify having this control board, the regulatory agency, act so irresponsibly at this time?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I appreciate the hon. member's concern for his community and for Elliot Lake and the changes that have taken place there. He and I have discussed many times the downturn in the uranium industry in Elliot Lake and the Ontario Hydro purchases that were based on long-term contracts.

In respect to the AECB moving out, there were four people at the AECB office in Elliot Lake. The major work is in Saskatchewan and that is where I believe three of the four people will now be placed.

• (1450)

The second point on decommissioning and nuclear waste, that has not been done by AECB at offices such as that. It has always been done from the Ottawa office. It will be done from that office which is not different from what it was for Denison and Elliot Lake or any other decommissioning including places like Port Hope.

* * *

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Secretary of State for External Affairs.

In the recent budget cuts, Canadians will lose an invaluable source of independent thought on foreign policy, the Canadian Institute for International Peace and Security. The finance minister says that the institute's mandate can be carried out by the Department of External Affairs.

I would like to ask the minister: How can the Department of External Affairs possibly carry out the work of the institute and still be able to maintain its independence?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, as we were going through some of the things in our department that we felt were to some extent duplications of things that were going on, the Canadian Institute was one of them even though we recognize the high calibre of some of the work it has done.

First of all it will take some time to phase out the agency. As we do that, we will be discussing with them the kinds of things we can do inside the department and indeed the services we can buy from others as well. We did feel we did not need an entire permanent agency to do the kind of work it was doing.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my supplementary question is for the same minister.

Being as a new world order is emerging, the international community is in a state of flux and many areas of the world are embroiled in conflict. Canada's security is always a top priority. How can the government justify the elimination of its only source of independent advice on foreign policy?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the institute is hardly our only source of independent advice. We do get advice from both inside the department and from a number of institutions in Canada and around the world.

We will continue to seek the broadest possible consultation in terms of developing our policies and the kinds of things that we should be doing within what is indeed, as the hon. member has said, quite a changed international environment.

I would hate to think that our capacity to develop foreign policy was based solely on one institute, because I do not think it is.

* * *

CHILD POVERTY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister of Finance.

Today an independent study of the government's proposed child benefit system points out that the benefits for all low income families will be reduced through inflation by 27 per cent over the next eight years. Over one million Canadian children are poor and will become even poorer with this government program.

Can the minister explain to the House how this honours the government's commitment to reduce child poverty by the year 2000, which it made in this House, and how it also honours Canada's international obligation to recognize the right of every child to an adequate standard of living?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I think that it is important to repeat that the new benefit replaces a child benefit system that was already partly indexed. This means, I maintain, that with the new measure we brought in with the last budget, every parent who really needs help will come out ahead because we recognize, of course, the need to set up different models.

We had priorities to put in place. As a government we chose to help families in the greatest need, while maintaining our social programs for child care services.

* * *

[*English*]

NUCLEAR VESSELS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Secretary of State for External Affairs.

KRBD-FM radio station from Ketchikan has publicly broadcast a notice to mariners during the past hour that a Los Angeles class nuclear attack submarine is about to enter Alaskan waters from Dixon Entrance, sovereign internal Canadian waters.

Would the minister explain why Canadian officials have known about the presence of the nuclear American submarine inside Canada since Sunday and have made no effort whatsoever to notify Canadian mariners?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the hon. member knows very well what is in place in order to protect Canadian fishing boats in what was an agreement that we signed with the Americans regarding their travel through Dixon Entrance. This is a genuine dispute. We regard the waters as ours. They regard them as theirs. He knows that.

We continue to maintain that as a result of our own sovereignty considerations we have a good deal with the Americans whereby we are provided with warning. The issue remains as it has in the past. We will continue to monitor what is happening with the American ships.

* * *

GROSS REVENUE INSURANCE PROGRAM

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question for the Minister of Agriculture concerns the gross revenue insurance plan which has been effective, predictable and bankable: effective because it is based on individual and not regional considerations, predictable and bankable because support is calculated in the spring before seeding.

Given the fact that it is now March 10, given the fact that seeding is just around the corner, and given the fact that western producers need to know what their target revenue per hectare is, can the minister indicate when there will be an announcement as to what the price guarantees will be under the gross revenue insurance program?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the hon. member asks an important question. As he said, farmers wanted predictability. They wanted individual coverage. They wanted to be bankable in the use of their GRIP.

A new government has been elected in the province of Saskatchewan. It is looking at changing the GRIP. It will not provide at the same level those aspects of predictability and bankability.

Although it is important to note that the national signatory committee recognized these changes as being significant, there would be need for an amendment to the national program. That can be done per formula. The Government of Canada would not stand in the way of the Government of Saskatchewan in attaining this.

* * *

HOUSING

Mr. René Soetens (Ontario): Mr. Speaker, two weeks ago in the budget the Minister of Finance announced a program to use RRSPs in the purchase of homes. It has been brought to my attention that because of regulations in RRSPs it may not be possible for people to access their funds before they close the purchase of their homes.

Is the minister aware of this particular problem, and are there some steps that can be taken to alleviate this problem?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I thank the hon. member for bringing this matter to my attention. I can advise him that the rules will allow RRSP withdrawals to take place for up to 30 days after the closing of a purchase of a home.

* * *

REGIONAL DEVELOPMENT

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is for the minister in charge of FEDNOR. In 1987 this government recognized regional development with a program called FEDNOR. At the end of March of this year it comes to an end.

Can the minister tell this House and many constituents in northern Ontario whether or not this program will be brought back in as FEDNOR II?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I want to thank my hon. friend, the member for Timiskaming, who perhaps more than anybody in this House has worked for the amelioration of economic conditions in northern Ontario.

FEDNOR has created over 3,000 jobs. In the years since it has been established over 350 companies have been established. I think there is tremendous support for this program to be renewed. It is presently being examined by the government.

This House knows that I have received over 200 letters from reeves and mayors right across northern Ontario hoping this will be renewed. I am confident that it will be, but we are not ready to announce it yet.

* * *

ALTERNATIVE FUELS

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my question is for the minister of energy. Last month's federal budget removed the federal excise tax on ethanol and methanol in blended gasolines and a meeting in Ottawa today of industry and agricultural leaders applauded that. But there is concern that alternative fuels imported from the United States sold here could get the same preferential tax treatment as Canadian made fuels.

What assurance can the minister give that this tax break will apply only to these alternative fuels which are produced in Canada to the benefit of Canadians?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the member has been meeting with a number of people who are interested in the ethanol business. I had an opportunity to meet with people in Williams Lake recently on using wood fibres, so I am pleased with the interest.

The words in the budget are very clear, and that is we want to build an indigenous Canadian ethanol industry. That is our purpose.

IMMIGRATION AND REFUGEE BOARD

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Acting Prime Minister. During the past week we learned that the Immigration and Refugee Board was rife with mismanagement and scandal: unwarranted pressure applied to board members, gross misbehaviour by other board members, judgments prepared in advance before a case is heard.

• (1500)

Canadians are fed up with this situation and are requesting an independent public inquiry. I want to ask the Acting Prime Minister if he will do the right thing and order such an inquiry today.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I will not comment on the objectives in the question of the hon. member. All I will say is that Canada's refugee determination system is well recognized as one of the fairest and most generous in the whole world.

As chairman of the Immigration and Refugee Board Mr. Fairweather is responsible for the board's operation. He has taken some actions of which I fully approve. I have talked to the gentleman. He has the situation well in hand. He is just as concerned about Canada's reputation of giving refuge to genuine claimants as the hon. member is.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, that is not enough. The public wants to know how deep and how extensive this mess is in the board. They want to know how many people have been unfairly treated by that board and how many cases must be reheard.

You are the minister responsible. I ask you once again—

Mr. Speaker: The hon. member knows that his question became out of order before it was finished.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the attention of hon. members the presence in the gallery of the Hon. Gordon Bilney, Minister of Defence, Science and Personnel of Australia.

Some hon. members: Hear, hear.

* * *

POINT OF ORDER

ORAL QUESTION PERIOD

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise on a point of order.

I believe during Question Period one of our colleagues opposite, the Parliamentary Secretary to the Minister of Energy, Mines and Resources, was given the opportunity to pose a question of a minister of the Crown. I believe this is in breach of the Standing Orders.

In bringing this to the attention of the Chair, I am wondering if the Chair will vigorously enforce the rules and not allow this to happen again, nor to allow this to be a precedent in the future.

Mr. Speaker: The hon. member for Cape Breton—East Richmond raises a matter which I hope would not occur again. It was an oversight. It has been well established in the House—

Some hon. members: No, no.

Mr. Speaker: Is the hon. parliamentary secretary seeking the floor?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I want to express a couple of thoughts on this. First of all, I think there is a long-standing tradition of the House that parliamentary secretaries do not ask questions of the minister or the ministry for which they have a responsibility.

However, if one looks at Beauchesne's there is clearly room for a parliamentary secretary from time to time to act as a member responsible for a particular constituency which he or she represents and therefore should have the opportunity from time to time to ask a question.

Mr. Dingwall: Mr. Speaker, clearly the hon. member opposite has it wrong. When one is appointed as a parliamentary secretary one takes an oath of secrecy for that department and also for all other agencies of the Government of Canada.

If the hon. member in question who is a diligent member of this House wishes to raise a particular concern affecting his constituency, he has the opportunity to do that in other avenues, whether that be in caucus or whether that be under the provisions of Standing Order 31.

However, I suggest the hon. member does not have the right as a parliamentary secretary to pose questions on the floor of the House of Commons to ministers of the Crown. That right is for members of the opposition and for members on the government side. We are seeing, all too frequently, too many members on the opposite sides given the opportunity to pose questions to the detriment of this side.

Some hon. members: Hear, hear.

Mr. Speaker: The hon. member for Cape Breton—East Richmond has raised a point relating to a parliamentary secretary asking a question. The hon. parliamentary secretary, speaking for the government, says that there is authority in Beauchesne that would permit the parliamentary secretary to raise a question if it relates to his own particular riding. I will consider that and I will reply as soon as I can to the House.

The general rule though is set out in Beauchesne's Parliamentary Rules and Forms, sixth edition, page 122, paragraph 413 under "Questions by Parliamentary Secretaries":

> 413. Those such as Parliamentary Secretaries who are clothed with the responsibility of answering for the Government ought not to use the time of the Question Period for the privilege of asking questions of the Government.

With respect to the matter raised by the hon. parliamentary secretary, I will consider it and I will return to the House.

I am now in some difficulty. I know that there are some points of order. We also have some questions of privilege which take precedence over them.

I think we should turn to a question of privilege of which I was given notice by the hon. member for Glengarry—Prescott—Russell.

Mr. Boudria: Mr. Speaker, I gave notice yesterday—

Mr. Speaker: The hon. member for Winnipeg Transcona is rising on a point of order. I thought I had suggested to the House that I should take the questions of privilege, which come before points of order. I wonder if the hon. member could wait until I can get to it.

Mr. Blaikie: On a point of order.

Mr. Speaker: Perhaps the hon. member could give me some idea of what the point of order is. Is it something that should be dealt with before a question of privilege?

Mr. Blaikie: Is the Speaker intending to provide another opportunity for interventions to be made on the matter having to do—

Mr. Speaker: I have said that I am going to consider the matter and I will return to the House. I am not hearing any further argument on it. I will return to the House. There will be opportunity to argue it further at that time, when it is appropriate and convenient.

An hon. member: On a point of order—

Mr. Speaker: If the hon. member is rising on the point of order raised by the hon. member for Cape Breton—East Richmond, that matter is going to be dealt with and I will return to the House.

If the hon. member is rising on another point of order, I would ask that he wait until I have finished with the questions of privilege.

* * *

PRIVILEGE

QUESTIONS ON THE ORDER PAPER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, as you have previously indicated, I gave notice some time ago to the Chair through the Clerk's office that I had the intention of rising on a question of privilege today.

Very briefly, the question of privilege that I want to bring to your attention is in regard to actions on the part of the government which prevent me from doing my job as a member of Parliament.

You will know from pages 70 and 71 of Erskine May's 20th edition, parliamentary privilege is defined as being those privileges and rights that are absolutely necessary for the House to execute its power. The same privileges are enjoyed by members individually.

That is the point I want to bring to your attention very briefly.

Standing Order 39(4) of the House says that members can place up to four Order Paper questions at one time.

The point I want to make to you is that the government is systematically not answering questions that I place on the Order Paper. By not answering the questions that are there, I am unable to ask new questions.

In other words, once the Order Paper is plugged up with four questions, new questions cannot be asked.

• (1510)

I will give you an example. Question No. 113 was placed on the Order Paper on September 18 and was answered last week, the last days of February. There is another question on the Order Paper, No. 111, that dates back to September 16, 1991. There is an indication that all of these questions must be responded to within 45 days. It is now four months since that question was put on the Order Paper and the government refuses to answer it. If the government will not answer these questions, Mr. Speaker, I submit to you that I am unable to ask new questions and unable to ask more questions on behalf of my constituents who have sent me here.

If you deem that this is a prima facie point of privilege, I would move the appropriate motion to refer the matter to a parliamentary committee. I would hope, more than anything else, that the government would just obey the Standing Orders, respond to the questions within 45 days so that all of us as parliamentarians can do the job that the people of this country sent us here to do.

Mr. Nunziata: Let's hear your weak response now.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I do want to take a couple of moments to intervene on this point of privilege.

I want to begin by saying that the hon. member does not have a point of privilege. He may have a complaint. He may have some concerns. But I believe—

Ms. Copps: Are you the Speaker now? Make your submission; you are not the Speaker.

Mr. Cooper: No, I am not the Speaker but I believe I am entitled to express the opinion I have just expressed. I do not believe he has a point of privilege.

I do want to suggest that one of the difficulties that comes up from time to time in this House relating to questions is that we do have the 45-day limit. We understand that and certainly I can say from this side of the House that we try as much as possible to meet those deadlines.

However, from time to time there are questions that are very difficult to answer in that time frame. I am referring specifically to those information requests that seek information from all departments or agencies. It takes a great deal of time, money, energy and effort in order to achieve an answer within the 45-day period.

I understand the hon. member's frustration. That is why we put in place Standing Order 39(5)(a) and (5)(b) on recent changes to the rule. Standing Order 39(5)(a) says:

> A Member may request that the Ministry respond to a specified question within forty-five days by so indicating when filing his or her question.

That of course is what my hon. friend is referring to.

However, subsection (b) says:

> If such a question remains unanswered at the expiration of the said period of forty-five days, the Member who put the question may rise in the House under "Questions on Order Paper", and give notice that he or she intends to transfer the question and raise the subject-matter thereof on the adjournment of the House.

In other words, I understand the hon. member's frustration when he asked four questions which have plugged up his opportunity to put questions in place. He too has an option, a way that he can relieve that pressure by raising the issue, not shoving it under the carpet, at the latter part of the day and having that issue dealt with here in the House of Commons.

I understand his frustration. If my memory serves me right, I answered Question No. 110 this morning, which was another question that was put by the hon. member. It was a little late, I agree. We have tried as much as we could to meet the concerns of the hon. member and that is why that question was answered today.

In summary, I do not believe that the hon. member has a point of privilege. He has another option which is very clear under our Standing Orders. I would encourage him, when we are unable to meet the deadline, to feel free to transfer it for debate and we will be happy to co-operate.

Mr. Boudria: Mr. Speaker, very quickly, I just want to indicate to you that it is true that a Standing Order is breached. That does not mean that it is a point of order. When a Standing Order is breached in such a way that it prevents me from doing my work as a member of Parliament, I submit that I do have a point of privilege.

Furthermore, the answer that the parliamentary secretary gave is that I had the option, when I did not get an answer after 45 days, of basically withdrawing the question, as the member for Hamilton East has said, with a seven-minute debate.

That is not the point. I am entitled to get an answer, and the rules do not provide a way for the government to weasel out or not to provide an answer. The rules are clear: the government must answer. Nothing in the rules say that the government has the option of not answering. It is not there. That is why it is important for us as parliamentarians to have this rule followed.

Here is the question I have been asking since September 16, just to give an example of how easy the question would be to answer within a period of time. I have asked for the hospitality budgets of each deputy minister. There are only 35 of them. How long could it possibly take to give that answer? It might take 15 minutes, it might take half an hour, but certainly not five months.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I just want to say that when this rule was brought in, the rule of the 45-day limit, the understanding was that in return for allowing only four questions to be on the Order Paper at any given time there would be this guarantee of an answer in 45 days.

The parliamentary secretary to the government House leader knows that and it is not enough to get up and give excuses. These questions are not being asked by anybody. These questions are being asked by members of Parliament who are elected to ask these questions and the government is bound by the Standing Orders to answer those questions within the prescribed time set in the Standing Orders.

I think, Mr. Speaker, that you should find that it is your responsibility and the House's responsibility to make the government follow the Standing Orders in this case, and no excuses allowed.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, having been part of the discussions in prior incarnations as a Whip and as a House leader of this party, I just want to recall an incident that I think is useful.

I think both parties are right. There is a request for the government to answer questions and there is a 45-day limit. By putting this in the late show or the adjournment debate we tried to find a solution to the problem because the problem is that we have no way of enforcing this request for the 45-day limit.

There is no sanction on the government if it does not answer the question. That is the problem. There is no way the opposition parties or any backbencher can force the government to answer the question, short of asking the government to be willingly co-operative in giving us an answer to the questions that are asked. If the government does not do that, of course we have no recourse; we have no way of forcing it to answer.

I say to hon. members that it is our responsibility, not the Speaker's responsibility, to put in those Standing Orders a sanction which would be applied to the government if it did not answer the questions. The 45-day limit plus the debate on the late show was some form of public acknowledgement that there was indeed an injustice being done here.

Mr. Speaker: I have listened very carefully to the point made by the hon. member for Glengarry—Prescott—Russell, also the hon. member for Winnipeg Transcona, and frankly his intervention is helpful because it gives us some history of what led to the present situation.

I have listened carefully to the hon. parliamentary secretary as well as to the hon. member for Ottawa—Vanier, a member of some experience.

There is a problem clearly in the situation we face. It probably ought to be addressed, because as the parliamentary secretary for the government speaking on behalf of the government, has said, he can understand the frustration of an hon. member putting the question. The hon. member for Winnipeg Transcona said that it was the duty of members of Parliament to put these questions, and I must say I do not find too much difficulty being persuaded that the government "ought" to make the answers available.

On the other hand, the hon. parliamentary secretary has indicated that sometimes that could be difficult to do. As has been pointed out again by the hon. member for Ottawa—Vanier, within the rules there is no sanction that either the Speaker is given to impose or that is available to the House.

I think it is a matter that clearly needs to be addressed. However, I think it is more a point of order than it is a question of privilege. I think it is a serious matter. I think the hon. member for Glengarry—Prescott—Russell was certainly acting in a completely appropriate way in raising it for the consideration of the House.

• (1520)

I must move on to a question of privilege. The hon. member for Windsor—St. Clair has a question of privilege.

COMMENT DURING QUESTION PERIOD

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, during Question Period I addressed a question to the minister of energy. What might be described as the substantive answer to the question, I am sure, will be judged by those who read *Hansard* and I think will be judged severely. However, that was not enough.

In responding to that question, the hon. minister uttered an untruth with such sanctimonious confidence that some are likely to believe it. I have therefore passed along to the minister of energy a copy of the registration of my vehicle which is a Thunderbird Super Coupe that goes from zero to 100 kilometres in 7.2 seconds. That is a North American characteristic. I had that car last year. I had a Thunderbird the year before that and a Thunderbird before that. I would only ask that the minister of energy inform himself better on the practices of Petro-Canada and his responsibilities and, if he has the curiosity to know it all, that he become better advised on the kinds of cars all members of this House might drive, including those on his side of the House.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member is offended, I am willing to withdraw. I just know that one thing happens. I watch *on the Hill* and so often his colleagues get up in high dudgeon in this House and argue about cross-border shopping. When I take a look at what they drive, they are not helping their union brothers and sisters.

Mr. McCurdy: Mr. Speaker, I am sure that those who are watching this on television are not going to be impressed with that kind of nonsense. I hope they are not. I posed a straightforward question to the minister which he could not answer. He was no more capable of answering that question than he was able to distinguish between fusion and fission. I wish that he would fuse

something to his present knowledge so he will not engage in these kinds of sordid activities in the House and would, in the future, respond to questions reasonably.

Mr. Speaker: Is the hon. minister rising to add something to this exchange?

Mr. Epp: Mr. Speaker, I do not mind this exchange one little bit. I simply say to the hon. member he is willing always to dish it out and expects it to be accepted and so—

Mr. McCurdy: Does that make it okay to be a liar?

Mr. Epp: So when we dish it back—

Mr. Speaker: I took what the minister said a few minutes ago to be a withdrawal of anything that may have offended the hon. member.

Mr. Epp: The House heard the exchange that the hon. member just made and I would ask him to withdraw it.

Mr. Speaker: The hon. member for York South—Weston on this same point. I am wondering if there is any need for the hon. member to intervene. The minister has made it very clear he has withdrawn.

Mr. Epp: I was inaccurate. I withdrew it. The comment he just finished making is unparliamentary. A number of members in the House heard it and I ask him to withdraw it.

Mr. Speaker: The minister has just addressed the Chair and said that some remark which the hon. member for Windsor—St. Clair made, not at the time when the hon. member was recognized but made it anyway, was unparliamentary and has asked that the hon. member for Windsor—St. Clair withdraw the remark.

Mr. McCurdy: Mr. Speaker, what I said and what the minister heard was my question and only a question: "Is it okay to be a liar in Parliament?" Surely that is not—

Mr. Speaker: If the suggestion the hon. member is making by way of rhetorical question is that the hon. minister is lying, that is improper and the hon. member should withdraw it.

Mr. McCurdy: Mr. Speaker, as you will recall, the hon. minister said that we could not take it and if he cannot take it—

Mr. Speaker: Just a moment. I am asking the hon. member to support the rules and conventions of the House. That kind of remark, whether it is in a preliminary, a preamble or in a question which leads to the only implication one could take is that it is being suggested that one member or another is lying, is improper. The hon. member knows that and I would ask him to support the conventions of the House and withdraw it.

Mr. McCurdy: Mr. Speaker, I abundantly support the conventions in this House. If you will recall, I will repeat, the minister said that we could not take it and I said: "Is it okay to be a liar as well?"

Mr. Speaker: Just a moment. The hon. member has an option. The hon. member can stay in defiance of the request of the Chair to withdraw a statement which, in my opinion, went too far. The hon. member knows what his duty and obligation are. They are to withdraw it. If the hon. member wants to have a row somewhere else with the minister, then go somewhere else and have it.

In the meantime, the hon. member's obligation is to withdraw.

The Chair has asked the hon. member for Windsor—St. Clair to withdraw the remark.

Mr. McCurdy: Mr. Speaker, I withdraw the question: "Is it okay to be a liar in this House", which the minister did not respond to.

ORAL QUESTION PERIOD

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I was trying to rise on this same point of privilege, but I understand it has now been concluded.

I also enter my own point of privilege. When I was trying to rise at an earlier time, you said you were going to come back to the House *vis-a-vis* the question of whether parliamentary secretaries can ask questions in this House.

The point of privilege I am rising on is that I tried to be recognized in conformity with the tradition in this House that before you set a matter aside, you hear from all three parties. I was rising to speak on behalf of my party as our deputy House leader to that point of order before you set it aside. I could not seem to get recognized and I

would like to know if there has been a change in the policy of hearing from all three parties before you take matters under further consideration, because that is what I was trying to do.

Mr. Speaker: First of all I want to say to the hon. member that under no circumstances would the Chair deliberately preclude the hon. member from rising on a matter. I asked several times. The transcript may assist us in this but I do not think there is any need to go into it. I was having some difficulty understanding exactly on what point the hon. member was rising and I got divided versions on it. At least that was my interpretation.

I then said: Look, I have heard this issue. I am going to consider it. I am going to come back to the House. I thought I made it clear that I will hear further argument if it is appropriate to do so and, of course, I will. I would be very pleased to hear the hon. member at that time.

I have also a notice from the hon. member for Winnipeg—Transcona on a question of privilege. That is what I am trying to get to now.

Mr. Blaikie: Mr. Speaker, we are just not communicating today. My point of privilege is that you did not recognize me earlier when you should have.

Mr. Speaker: First of all, I am not at all sure that is a point of privilege. Second, that can sometimes happen to members in the House. We all know that. In any event, I am saying to the hon. member that he has not intentionally been precluded from addressing the Chair in any way, shape or form.

• (1530)

The hon. member does have, because I have it in writing, an application on a question of privilege which I received before this other matter came up, and I will now hear him.

Mr. Blaikie: I beg to correct you, Mr. Speaker. I sent this notice of a point of privilege after I could not get recognized on the point of order having to do with the parliamentary secretary. I have no other point of privilege.

Mr. Speaker: We may be able to move ahead quickly here. We have a point of order I gather arising out of Question Period. Perhaps the hon. member for Winnipeg North Centre could assist the Chair.

* * *

POINT OF ORDER

COMMENT DURING QUESTION PERIOD

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, in response to a question yesterday, the Minister of State for Employment and Immigration, as recorded at page 7834 of *Hansard*, inadvertently left the impression that the deduction under day care had risen 400 per cent, from $1,000 to $5,000. In the budget speech on page 15 it is clearly indicated that it rose 25 per cent, from $4,000 to $5,000.

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of a ways and means motion to amend the Excise Tax Act and other legislation respecting the implementation of the goods and services tax, and I ask that an Order of the Day be designated for consideration of the motion.

* * *

MOTION TO ADJOURN UNDER S. O. 52

SOFTWOOD INDUSTRY—SPEAKER'S RULING

Mr. Speaker: The hon. member for Prince George—Bulkley Valley again put an application for an emergency debate, this time exclusively with respect to the countervailing action by the United States with respect to softwood lumber.

I again listened carefully in the House and I think I should advise the hon. member that while it is an important matter, I am not prepared today to proceed with an emergency debate.

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I do not want to suggest your ruling is incorrect in defining it as an emergency when requesting an emergency debate. I would like, through you, Mr. Speaker, to

possibly direct a request to the government, through the parliamentary secretary to the House leader, in that this obviously is an issue of great interest to most people across Canada, to many people from all sides of this House, especially to our home province of British Columbia, and it is a critical issue to my riding, the people who live in Cariboo—Chilcotin.

I, through you Mr. Speaker, would sincerely request of the House leader that he take it under consideration in his discussions with other House leaders. I hope that we can find a way to set time aside in the near future, as early as possible, so that we can go through what I consider to be a very important debate.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I think it is fairly obvious that this issue is of concern to a number of members in the House. I have to include myself in that list, coming from a riding where forestry is a major issue.

I have had some discussions with the Department of Forestry. There may well be an interest in having a debate and providing some time for members of the House to do so. What I would like to suggest to the hon. member and to others who are concerned about the issue is that a House leaders meeting should be going on at this moment. I will be there in a few minutes. Perhaps we can discuss it there and come to an agreement that would provide time for all of us to look at this issue.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, as forestry critic for the Liberal Party I fully support the motion that has been set forth by both the PCs and the NDP. We are ready and willing to participate in such a debate.

The recent decision by the Americans will have a tremendous impact on the industry and on my riding in particular.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I would certainly join on behalf of our party. I know our deputy House leader will be attending that meeting and we are certainly prepared on this side to work with all other parties in the House to try to arrange a debate as quickly as possible.

As I mentioned this morning in my appeal to you, Mr. Speaker, given the seriousness of this issue, and the government and the Prime Minister considering this, it is important that Canadians hear from the House on it.

I might say, just in conclusion, in previous debates and in particular on the issue around the whole problem with the fishery off Newfoundland and Labrador, that was an example of how a debate on an important resource issue went well. It gave an opportunity for all sides of the House to present their arguments. It is an important issue. I hope we can move quickly and expeditiously to have a debate on this matter.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I know that you are very responsive to the wishes of this House. There seems to be unanimity developing on this issue. As a matter of fact, I cannot find one single member in disagreement. I submit respectfully, that we as members from Quebec would like to take part in this debate which has far-reaching implications for us.

[*English*]

Mr. Speaker, since there is unanimity, maybe you would like to take it under advisement and say that by tomorrow you will give a decision. I do not expect that to be said at this time, but you would be disappointing the unanimity that is very rarely seen in this Chamber. It is not a question of partisanship. It is a very important issue which is only the beginning of many more to come.

We know that the election in the United States is in November. How many more of those will take place? Maybe the time is appropriate for us to put our views that will most likely be unanimous that this kind of action should not take place.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, as critic for energy, mines and resources for the opposition, you may not have been in Vancouver or the lower mainland, but I can tell you, Sir, that it has had the effect of a tidal wave in your province and in other provinces as well.

Mr. Speaker: I wonder if I could say to my colleague that the Speaker is also a member of Parliament. I am in my riding and in my province on a very regular basis.

I can assure the hon. member that what he says is correct. I was there. I have heard it all, and I do not want anybody to think for a moment that when I am wrestling with the proper application of procedural rules on an issue like this, it is not dealt with by me on a most serious basis, indeed.

Mr. Kilgour: Mr. Speaker, given the sentiments of all sides of the House, you might wish after the House leaders meeting for them to come and meet with you in your chamber. Perhaps we could reconsider the matter of an emergency debate or have it now since there seems to be unanimity in the House.

Mr. Speaker: The position we are in is that for the second day and as a consequence of very close consideration of the matter, the hon. member has twice now applied. I have said that I was not disposed this afternoon to order an emergency debate. I made it very clear yesterday that it might not mean it would not be ordered at some other time.

However, we have an indication now from the House that there is probably a very real possibility of a discussion between House leaders. That is what the parliamentary secretary speaking for the government has indicated. Others have indicated their receptivity to that discussion.

I do not think it would be appropriate for the Speaker to intervene in that discussion at all. That discussion should take place and then we will see where we go from there.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Mazankowski that this House approves in general the budgetary policy of the government; and the amendment of Mr. Gray (Windsor West) (p.7631).

• (1540)

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I welcome the opportunity to speak in the House today on the government's spending priorities and specifically on the amendment by the hon. member for Windsor West, seconded by our leader, which says that this House condemns the government for its budget's failure to provide realistic support for millions of Canadians who are jobless.

Canadians have a right to know what the government plans to do with the $160 billion of their hard earned dollars in this budget.

Obviously I feel the budget leaves a lot to be desired. At the very least I find it to be a major disappointment especially for the millions and millions, 2.5 million or whatever the figures are of Canadians who are out looking for work and who are trying to get back to work.

The government's decision to stay the course, so to speak, offers nothing to Canadians who are looking to get back to work. There is little in this spending to inspire business confidence in the government or in the country either.

There is no emphasis put on training or retraining, the ability to train Canadians to make them able to compete for these jobs when and if they do return. There are no adjustment programs for the rapidly increasing numbers of unemployed Canadians. There is no forward looking vision to help Canadians compete in this so–called changing global economic climate.

Some of those who are presently unemployed are part of the hundreds of thousands of Canadians who have lost their jobs because of the free trade deal. Yet government members boast that they are helping our job creating industries, while they still maintain relatively high interest rates and a high dollar policy. That is anti–competitive. This government has created a hostile business environment.

What about the incredibly important area of research and development? That is a must for any country that is going to compete globally. The budget has for all intents and purposes totally ignored training, research and development. The $230 million over five years for R and D do not make up for the dramatic cuts this government has made in these areas over the past five years.

The elimination of the Science Council is a real disappointment for all Canadians who had hoped for support in science and technology. The Science Council also provided, especially in rural areas, information for the agricultural sector. Once again the agricultural sector suffers.

How can we possibly take this government's commitment to competitiveness seriously when it has systematically dismantled our research and development?

Something I hear talked about a lot in my riding recently is taxes. In fact different tax coalitions have formed over the last year or so that are really keeping a watch on local and provincial governments. I am sure by next election they will be challenging Canada, all parties, as to why or where the parties stand in terms of spending tax dollars.

This government claims in this budget that there were no tax increases. We know that just two weeks before the budget was tabled a huge tax was put on all exported tobacco products, measuring about $8 per carton of cigarettes. Why was this tax not in the budget? Clearly it is a budget area on which to put taxes. Why was it not? Either the government wanted to fool Canadians into believing that there were no tax increases, or maybe it was a little bit too embarrassed to admit in a major public forum that it was taxing exports.

Not only will that tax be devastating to many of the tobacco farmers in my area, but it will also hurt the many thousands of jobs that depend on the tobacco industry.

Just ask the 5,000 people who have lost their jobs in this industry due to the government's outrageous taxation policies in the past. Just ask the thousands of farmers who have lost their farms, or the other 9,000 people including 1,200 growers who would lose their jobs if this industry is displaced and moved to the United States.

I, for one, would like to know how the government believes that jobs can be created in such an environment and at such a cost to Canadians.

If this government cares about rural Canada and cares about its farmers, why is it cutting $4 million from Agriculture Canada's grants and contributions preceded by previous budgetary cuts of somewhere around $48 million and $25 million in operating capital funds in the 1991–92 fiscal year? Is that a government that really cares about agriculture?

As has been said many times here, farmers and agriculture are the cornerstones of our economy. I know that probably every politician from a rural area in this House has said that before. But that does not mean very much if in fact a government that says that does not back it up with financial help.

In the past farmers have resolutely accepted the increasing losses of income with external optimism unmatched anywhere else in Canada. But recently this real hope has been diminished.

Farmers are desperate. Farm families who have been dedicated to providing clean and safe foods for Canadians and people around the world are really feeling the pinch today. They have given their savings, they have given their homes, and they have given their future to a country that they love and to a country that they hoped would be there for them in their time of need.

Rural Canada is suffering. When agriculture suffers, everyone suffers and the country suffers. We in rural Canada do not believe that this budget goes anywhere near to addressing the concerns of not only farmers but also of the rest of rural Canada.

What is wrong with the budget? Despite promises made in the last budget, unemployment has increased and is expected to remain at somewhere around 10 per cent for the next two years. In other words, nothing has been done to help these millions of Canadians out of work. Certainly nothing is being done in this budget to help get Canada working again.

The budget is silent on a national child care program. In fact in this budget the government has abandoned this promise.

Important institutions like the Economic Council of Canada and the Science Council of Canada have been eliminated. Why? Because the government is tired of living in fear of an independent review of its policies.

The Co-Operative Housing Program has been eliminated, which will affect thousands of people in need of homes throughout Canada.

The increased cuts to Agriculture Canada by means of grants and contributions, as well as the excise tax placed on exported tobacco, are indications of the systematic dismantling of agriculture across this country by this government.

Finally, in my last two minutes I would like to point out that just because the federal government has not raised or introduced new taxes does not mean that Canadians will not pay more taxes.

We all know that when spending cuts are introduced more pressure is put on the provincial treasuries. Consequently provincial taxes are raised. For the federal government to say that there are no new taxes or tax increases is misleading at the very least.

The government's fiscal and monetary policies as outlined in the last two budgets have done absolutely nothing to get the economy working again. Despite the introduction of regressive taxes and spending cuts that we have witnessed since the government took office, we still have a $31 billion yearly deficit.

In conclusion, I feel the government should just admit that its so-called fiscally responsible policies have failed and it is time for Canadians to call for an election.

• (1550)

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I also enjoyed the opportunity to present my views on this year's budget. This is a budget without a human face. It is also a caretaker budget in the sense that it does not help nor hinder anybody.

We were not impressed by the finance minister's budget at all. There is no provision to help the 1.5 million Canadians who are out of work and the 2 million Canadians who are on welfare.

This is the eighth budget since the Conservatives took power in 1984. It strangely resembles the 1990-91 budget in that it does not provide any incentive to stimulate economic growth. The Minister of Finance is gambling that the economy will improve on its own. This is exactly what his predecessor did in 1991. I fail to understand the Tory logic. They created a recession with their high interest rate and high dollar policy. There are 1.5 million Canadians out of work, yet there is nothing in this budget to help the unemployed and bring Canada out of the recession.

I find it incredible that the Minister of Finance is predicting that unemployment will remain at 10.1 per cent in 1992, and drop to 9.5 per cent in 1993. The actual figure for unemployment is at 10.6 per cent. The minister admits these figures are high and he does nothing to address the issue. How high do the figures have to go before the minister takes action?

The student assistance plan will undergo some changes. From now on the Government of Canada would like the banks to assume some involvement as far as loans to students who wish to pursue post-secondary education are concerned.

The finance minister is currently dealing with the banks to try to negotiate a reasonable service fee for the student loans. I wish him success. Now that the banks will be taking the risks on those loans, the already financially burdened parents will have to co-sign for the loan. These are tough times for students and parents alike as prospects for jobs are very dim.

This government will be eliminating the present family allowance program in December 1992 and will replace it with the child benefit program which should benefit low income families. This is a good point of the budget. It sounds good, yet some 700,000 women will not receive their family allowance cheques any more and most middle income families will not qualify.

Since 1984 the government has increased income taxes on 33 different occasions. In this budget the government has now indicated that personal income tax will decrease by 1 per cent. What a fiscal break. Canadians should be made aware that this 1 per cent translates into $44 on their tax return if they earn between $30,000 and $40,000 and a measly $4 if they earn $15,000 or less. If the finance minister were sincere in his desire to assist Canadians, how could he for one minute think this 1 per cent decrease in personal income tax would help? If he had been sincere he would have lowered the infamous GST.

The budget has other hidden surprises for those who look a little closer at it. The loss of the $100,000 lifetime capital gains exemption could be a deterrent to anyone thinking of buying a second residence or a rental property in the future. Until this budget, all profits made on the sale of real estate, other than the principal residence which is exempt, had been tax-free up to $100,000. Now real estate will be liable to 70 per cent tax on profits from selling that property. So much for the little guy who tries to better himself.

The home buyers plan will only benefit those who have funds readily accessible in RRSPs. If the RRSP is locked in for two years or more, or if it automatically locks in at a specific date that does not coincide with your home purchase, the bank will not release the funds and the home buyer will not be able to take advantage of the plan.

I would like to take a few moments to speak on the national debt.

Just prior to the Conservatives taking power in September 1984, the debt was at $200 billion. Today it is in excess of $420 billion. This government has more than doubled the debt. The high interest rate policy supported by this government has helped boost the deficit. This year's deficit of $31.5 billion is the highest since 1985–86 and the fourth largest in Canadian history.

One really has to wonder how this government is managing our country's economy. There have been all kinds of opportunities to improve the economy. Despite years of strong revenue generating economic growth; despite repeated tax increases, 33 of them; despite widespread spending cuts in every area of government services, it still managed to double the debt and it could not even reduce the deficit.

The finance minister said that this year's forecast and next year's forecast for the deficit will not be met. It keeps going up and yet we have two million Canadians on welfare, including 700,000 children who stood in line at food banks in 1991. Those hungry children are indeed a black mark on Tory records. Today there are more food banks in Canada than there are McDonald's restaurants.

The budget is not doing much to inspire business confidence either. The minor tax changes the government is making are more than offset by increasing interest rates and the high dollar. How can we take this government seriously when last Friday the U.S. Commerce Department's international trade commission handed down yet another ruling declaring that Canadian softwood lumber exports to the U.S. were unfairly subsidized?

This ruling, which has resulted in a punitive action of 14.48 per cent duty on Canadian lumber imports, is totally unacceptable. The industry should not be held hostage for American domestic politics of protectionism. It stands to lose some $430 million during the next year as well as thousands and thousands of jobs. What does this budget do for our lumber industry? It contains no provisions whatsoever to help the Canadian lumber industry during its time of need while it is being harassed by the Americans.

In conclusion, despite golden opportunities to reduce the deficit between the years of 1985 to 1990, the government mismanaged public funds. This government has vowed to wrestle inflation to the ground and as a result has wrestled the economy to the ground. This budget does not address the longest recession we have ever seen. The people of Canada are looking to the government for some hope of relief from the poor state of our economy. The government has failed miserably to resolve the current economic situation.

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I did not hear all the hon. member's remarks, but there were a couple of elements in his remarks that I did hear and I would like some clarification.

I heard him refer to the government's home buyer's plan and the ability that taxpayers will have to withdraw up to $40,000 for a couple to purchase a home. I would like the member to clarify it for me. I thought I heard him say that if the funds could not be withdrawn from a financial institution because of the particular plan they may have invested in, the plan was useless because it would not allow funds to flow before the closing date.

My knowledge is that most financial institutions are very happy to open up fixed term investments such as GICs right now and let the money flow out of those fixed term investments because interest rates have been coming down. Most financial institutions have had these funds locked up at higher rates so they are more than happy to open them up and let the funds flow through. It is an ideal time now with a lower interest rate regime for this particular plan to work.

Second, I thought I heard the Minister of Finance say in Question Period today that there was a 30–day grace period.

• (1600)

If a home had to close there was this 30–day period where funds could still flow from an RRSP. I would like the member to address those two points.

The member talked as well about the government and its debt, and I think he used the phrase "this government has doubled the debt".

The Canadian debt as a whole has in fact doubled. I agree with that statement. I am wondering if the hon. member can address the fact that if the government had not been running an operating surplus last year and this year, the debt would be $25 billion higher today than it is now. The fact is that all of the additional debt is the result of the accrual of compound interest, and actually our debt would be a lot higher today without the government's actions.

Could he please address those two points?

Mr. Bélair: On the first point, the member made it a point to answer his own question. I guess there is no point in me trying to repeat everything he has just said.

Mr. Turner (Halton—Peel): Do you agree?

Mr. Bélair: Certainly. On the national debt, it seems that the Tories do not want to accept the fact that since 1984 this debt has doubled under their management. All the time they say it is compound interest on the debt that was left to them by the previous government. I totally disagree with that. As I said in my speech, the government has increased taxes on 33 occasions. Personal income tax has increased by 22 per cent, and yet the deficit keeps going up all the time. This is despite some very good years economically, when there was less unemployment and more people paying taxes. The deficit has always been around $29 or $30 billion.

This is why my party and I really wonder what the government was doing during those golden years. I do agree today that it is difficult to reduce the deficit because of the recession. But it is a recession they have created themselves because of high interest rates and the high Canadian dollar.

Mr. Hughes: We created the recession in Europe too and all around the world.

Mr. Bélair: Maybe there are some clauses in the free trade agreement that we have not seen and that some members opposite have not seen either—the ones that say the Canadian dollar should remain high for a certain amount of time.

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, last week's break gave members of the House a chance to keep in touch with what was going on in our ridings. Personally I welcomed this opportunity to go and meet with some of my constituents in Montreal North and talk about their present concerns. The latest budget was mentioned a number of times and I was pleased to see that many aspects of our proposal had met with their approval. No wonder, considering how carefully this government's budget was prepared.

Some of our constituents are under the impression that all decisions are made behind closed doors by a chosen few and finally disclosed to the population on the night the budget is tabled. Having bean involved in preparing two budgets, I can assure my fellow citizens that their comments to me and to their members did not fall on deaf ears. No wonder then that taxpayers can often recognize theirs suggestions in budgets tabled by governments.

Obviously not all of them can be included, because the realities government has to deal with and the balancing act it has to do to ensure that the available resources are commensurate with the needs expressed. All that makes it impossible to satisfy everybody. But when a government such as this one sets out to harmonize the prosperity of future generations with the quality of life for the present generation, choices have to be made.

Since the Conservatives have been in power, budgets reflect comments made to members by their constituents. The Quebec caucus, which set up a budget committee, submitted an impressive list of recommendations to the Minister of Finance. Of course members and constituents were delighted when they saw that the latest federal budget reflected those recommendations.

Ever since I was elected, my constituents have told me that economic problems require a realistic and durable response, not hasty, band-aid solutions. People want the assurance that our social programs will meet their needs. They want new reasons to have confidence in the future. But, above all, they want the federal government to reduce public spending as well as the deficit. Easier said than done. A government bureaucracy cannot turn on a dime. Tradition, history and precedent have helped develop a vast number of procedures and working methods, levels of management and regulations. In families, business and government, traditions accumulate over the years and often tend to smother creative thinking.

A subcommittee of the Quebec caucus, where I am a member of the executive, made a study of federal spending programs and submitted proposals to the finance minister for improvements in public spending. Its purpose was to bring a new perspective to the administration of government services.

The work done by MPs and senators from Quebec was very useful, if the latest federal budget is any indication. Several recommendations made by the budget committee of the Quebec Conservative caucus were adopted, especially those concerning spending cutbacks, but also recommendations on promoting social justice and responsibility, encouraging economic recovery, and promoting investment, initiative and employment.

We are particularly proud of the cut in income tax. Our constituents had told us many times that taxes were too high. As of July 1, 1992, the federal personal income surtax will drop from 5 per cent to 4 per cent, which means that as many as 4.7 million Quebecers will enjoy a drop in income tax. As of January 1, 1993, the surtax will drop by a further 1 per cent.

As for spending cuts, the recommendations of Quebec members will lead to a $1 billion reduction in expenditures in 1992–93 and more than $7 billion over five years. Among other things, as hon. members suggested, Department of National Defence spending will be cut by $2.2 billion over five years. Land and property belonging to National Defence and Public Works that are not required will be sold.

The Minister of Finance also accepted our proposal on revising travel practices. From now on, members of Parliament, senators and senior officials cannot travel first class.

One of our most important suggestions concerned reducing the number of senior managers in the government. This has resulted in the privatization, merger, deferral or outright abolition of 46 government agencies and advisory boards. Furthermore, departmental operating budgets, excluding salaries, will be cut 3 per cent.

The number of free publications distributed by the departments will be reduced. The facilities provided and renovations done by the Department of Public Works will also be greatly cut back.

Delegations sent abroad will be restricted.

In summary, those are the measures that were adopted among those proposed by Quebec members. But other equally important ones will be implemented to reduce taxes and stimulate the housing sector, to reduce the size of government and to improve services to Canadians.

The budget just tabled continues on the deficit cutting track. The deficit will be reduced to $27.5 billion next year and will continually decline after that.

Other important measures concerning the family will help restore the value of this institution which is at the heart of any healthy society.

• (1610)

For Canadian households, this marks the end of discrimination based on marital status. From now on married and common law couples will get the same tax treatment. We will eliminate the disadvantages that the traditional family unit had to put up with until now. Indeed, following our recommendations, the Minister of Finance decided to abolish the distinctions that made married couples pay more taxes than common law couples.

Family allowances for high income couples will be eliminated. Again Quebec members played an important role in promoting justice and social responsibility. A single monthly payment for children will replace all the benefits that are presently paid to families and will direct assistance to low and middle income families. This will translate into a $400 million increase in financial support for children, from $4.5 billion to $4.9 billion.

Those are only some of the measures taken, and of course there are others, to promote a strong recovery.

In conclusion, the budget cuts spending and thus enables us to lower taxes and promote recovery. It also ensures a substantial reduction of the deficit in 1992–93, as well as a constant reduction afterwards. We therefore have a budget that restores confidence in the Canadian economy while protecting our social programs.

The opposition may blame us for many things, but it certainly cannot accuse us of lacking consistency in the way we manage public funds.

The Conservative government is pursuing its plan. The 1992 budget seeks to stay the course toward a better future, renewed and lasting growth, job creation and deficit reduction. In the last seven years we have succeeded in stabilizing public finances as well as regaining control of our expenses.

If it were not for this $200 billion debt that we inherited from the previous government, we would have an operating surplus. In other words, the taxes that we collect from Canadians would more than pay for the services that we provide to them. In fact, the $25 billion operating surplus that we have generated since 1984–85 would have enabled us to improve our government programs even more. But this is only a matter of time. We first had to put order in the management of public affairs, and this task is almost completed. As early as 1994, we will no longer borrow to pay the interest on the accumulated debt and we will at last be able to start paying off this infamous debt. We have reasons to be pleased.

We remain committed to supporting the private sector by limiting state intervention as much as possible, while protecting individuals who need help. In other words, we continue to believe that the government must intervene only when necessary.

Members from Quebec have shown that responsible, sustained action does more to promote and protect Quebecers' interests in Ottawa than loud bragging and boasting.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to say to the member that I listened attentively to her speech and for the most part I agreed with what she was saying. However I want to ask her a couple of questions.

She mentioned that last week she was in the riding and that was where we come into contact with reality. I share that. She also mentioned that the budget met with favour.

I think that there were some aspects of the budget that were okay, but I have heard on numerous occasions from the retailers in my riding. I have heard on numerous occasions from the people in the tourism sector. The restaurants in my riding are in some ways similar to those in many parts of Quebec. I have over 300 of the nicest restaurants in all of Canada located along the Danforth and along Gerrard in Broadview—Greenwood, especially Greek restaurants.

These restaurants that count on the tourist trade are saying that consumer confidence is low, that the GST is a disincentive to tourism operators or to tourists even though they get a rebate, and that this ultimately affects the reason why we have so much unemployment.

In the province of Quebec tourism is counted on probably more than in any other province in Canada. I am not trying to make noise here, but does the member not think that this budget really did little to stimulate confidence in the tourism sector and the retail sector, which ultimately affects the jobs in this country?

[*Translation*]

Mrs. Gibeau: Mr. Speaker, I want to thank the hon. member for his questions.

I would like to start by putting into perspective the whole issue of the GST, the goods and services tax. Perhaps I may recall that for most of last year, before the GST came into effect, opposition members were blowing up this whole issue to ridiculous proportions and referring to the GST as a tax that would have a disastrous impact on inflation and the economy and would have all kinds of horrendous consequences.

I will admit this was not necessarily a popular measure, but even the opposition agreed that the whole federal tax system had to be revised. Furthermore, I may remind the hon. member, that one year after coming into force the GST has not really had an impact on inflation. In fact, inflation is now below 2 per cent, a record among the world's major industrial countries.

This, together with the fact that interest rates have also dropped very substantially, has created a degree of confidence in the business community, so that people will start investing again. I would like to refer to what was said by the president of the Canadian Manufacturers' Association, Mr. Richard Le Hir, who is not exactly a fan of all our policies. In any case, Mr. Le Hir said in *Le Journal de Montréal* on February 28, 1992, that three measures in the budget were important for stimulating the economy. The increase in the capital cost allowance rate for machinery, the reduction in the manufacturing tax, and the $230 million earmarked for research and

development were three specific measures that were most welcome.

In terms of economic recovery, this budget—as I said earlier, it was impossible to please everyone—is one we can be proud of, in the circumstances.

[*English*]

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I would like to ask the hon. member for Bourassa a very brief question. It concerns the fact that I, along with many other members of Parliament, understand the fiscal reality of this nation. Having said that, there are certain choices that are easier to make than others.

I am just wondering why the government, in this particular budget, chose to ignore the plight of 400,000 young people in this country who are unemployed and many more thousands who are on the welfare rolls of this country.

They have once again failed to come up with a national training strategy that may address the problems that we have. Once again we have blocked the major artery to Canada's future.

• (1620)

I was just wondering whether the hon. member could address or explain to me why her government has chosen once again to deny the rightful opportunity that young people require.

[*Translation*]

Mrs. Gibeau: Mr. Speaker, I would like to remind my colleague that there are government programs and as for training—and when we talk about young people, we talk about education—education does not apply in the same way in all provinces. In some provinces, education is strictly a provincial matter and their jurisdiction must be respected.

Furthermore, we have a program called "School First", where we did everything to encourage young people to stay in school and gain skills so that they could fill jobs that are now available in Canada but for which some young people who chose to quit school will not qualify in the near future.

I encourage my colleague to support and encourage the young people in his riding, as I try to do in mine, and to tell them to stay in school so that they can acquire the skills and knowledge needed to fill the positions that are available and will soon be available.

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and to Minister of Multiculturalism and Citizenship): Mr. Speaker, I thank my Whip who gave me the opportunity today to speak in this House. It was not planned, and I almost demanded it in a rather rough way.

It is very important because when you talk about finance and the Budget you talk about jobs. Jobs involve unions and unions do some things that are not quite right.

Since we are talking about jobs and finance today, in my region which is the north side of Laval we have an airport called Mirabel. This airport is the centre of much activity. Finance involves a lot of money and taxes. Today I must rise to speak, even though I asked my Whip for an emergency debate on this subject. I want to take this opportunity to talk about it.

I would like to put on the table some issues concerning Mirabel, Nationair, the lockout, unions, the public service unions, and the Montreal branch of the Quebec Federation of Labour. I will deal with them all together.

Like all Quebec members we were surprised to learn that many union members were locked out, unfortunately without work.

[*English*]

Mr. Nunziata: Mr. Speaker, I rise on a point of order. While I appreciate the importance of the matters that the hon. member wishes to discuss, they can hardly be considered relevant to the debate at hand.

We are here to discuss the federal budget, not a concern peculiar to his riding with regard to Mirabel airport.

Mr. Edmonston: I rise on the same point of order.

The Acting Speaker (Mr. Paproski): That is not a point of order. The hon. member can debate anything he wants on the budget. That is the standard rule of the House.

Hon. members may not have been here long enough to realize that you can go ahead and speak on things other than just the fiscal arrangements of the budget.

Mr. Edmonston: Mr. Speaker, I seek clarification because I do not know whether or not it is a question of not being here long enough. I know my colleague has been here far longer than I have and we both came to our feet on the same point of order.

I do not think, with all the respect I have for the House, that we should get involved in union bashing in as budget debate. I think it is really unseemly of this House.

The Acting Speaker (Mr. Paproski): I will just listen to the hon. member. I am sure he is going to be relevant a far as the budget is concerned.

[*Translation*]

Mr. Della Noce: Mr. Speaker, I asked if I could say these things and my chief Whip assured me that I could talk about a case involving 2,200 jobs in my riding. If it upsets the Liberal and NDP members to hear me talk about my riding, let them leave the Chamber and go have a coffee, because where I come from 2,200 jobs are important, especially when certain NDP members frighten people by telling them not to take the plane because it is dangerous.

I am quite sure my colleague will go out for coffee. Mr. Speaker, 2,200 jobs. It is very important for us. It is appropriate to talk about it within the discussion on the budget.

[*English*]

Mr. Edmonston: Mr. Speaker, I rose earlier on a point of order and I appreciate the fact that you ruled against it. I believe now there is a definite point of order in the sense that we are not to make reference in this House at any time to the presence or absence of one of the members of this House. Am I right or am I wrong?

The Acting Speaker (Mr. Paproski): I never heard the hon. member make any reference to anybody in the House or outside the House. If he has, that is right. We are not allowed to do that but I have not heard that.

Mr. Edmonston: Yes, I am sorry you did not hear that but as I was leaving to make a phone call there was such a reference.

The Acting Speaker (Mr. Paproski): Members do that quite regularly. I regret that the hon. member should not do it. Get on with the debate.

[*Translation*]

Mr. Della Noce: Mr. Speaker, perhaps my hon. colleague could stop interrupting me. I will certainly not talk about him. I have more important subjects to discuss concerning my riding than to talk about the member for Chambly. I have things to say in this House. In the speeches on the budget we demand jobs, jobs, jobs, and those who have jobs want to destroy them. My job is to try to make people understand that each time we speak outside this House we displease the unions. Instead of dealing with the issue, instead of making offers to the unemployed, to the workers who are locked out, they say: "If Della Noce, the member, speaks too much, we will sue him." Well let them do so. I will go to jail simply because I want to save 2,000 jobs in my riding. If I must go to jail, I will do so and gladly.

We also have a problem in Quebec every time a company is successful. Take Nationair for example. I mention this one because it is in my region and it is of great interest to me. We keep looking for means to tear it down. Every time a company decides to move to Toronto we cry for a year before it leaves. I for one do care. There are 450 young men between the ages of 22 and 24 who work there. I certainly would not want them to lose their jobs because those are darned good jobs. When young people come to us looking for a job we tell them: "Try that place; they hire a lot of people." Now a union leader is saying: "So what if it shuts down".

I am not blaming all union leaders, mind you, Mr. Speaker. Two members of the shop committee resigned. This means that six union members caught the drift of their leaders and resigned. They did so because they did not like the idea of a union destroying jobs instead of preserving them. That is happening here and now. There are still very down to earth, mature union people who have chosen to resign rather than stay on and chitchat with an airline accused—of what—of not being safe. Apparently the staff would not be adequately trained. If there is one airline today which is safe it is Nationair. With all its safety inspections, it is quite impressive. There is no Canadian airline safer than Nationair.

The ad also reads that they are paid welfare wages at $17,000 or $15,000 per year. I agree that $17,000 is not great, but what the union failed to mention in the ad was that it was for 53 hours of work, not per week but per

month. All of us in this House work at least that much in a single week. If $20,000 a year is not enough for 53 hours of work per month, work that many hours per week and you will make $88,000. Still, that is not an incredible amount by today's standards. I can assure you that many people in my riding would gladly take the job.

• (1630)

But why kill Nationair when the company pays $50 million in taxes to the federal government? Did you know this company pays all our salaries and those of the senators next door? Their taxes are the equivalent of what it takes to pay all our salaries, and people want to see this company go down. Fifty million dollars in taxes.

I heard the hon. member say: "Tax the rich and give a break to the poor". This guy started with a shoe-string. He was a poor immigrant who came into this country with $2,000 and created 2,000 jobs for pilots and mechanics. Today he has 11 planes including four 757s, five 747s and one DC-8, and he started with $2,000.

[*English*]

What do you call a man like that? He should be here. He should have a statue these days.

[*Translation*]

They are killing this company because the leader of the union is a guy from Toronto who works for Air Canada. He is high and dry in Toronto, so he could not care less what happens in Quebec. He will get re-elected and he will say: I told Quebec where to go.

I do not want him to tell Quebec where to go. Let him stay in Toronto and mind his own business. Mr. Speaker, I hope you will give me the floor again.

[*English*]

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I hope that you are monitoring the Irise comments by the hon. member carefully.

He is making some very unconstructive statements, especially in this most difficult period when we are talking about national unity and a new constitutional arrangement. For him to suggest there is some Toronto conspiracy to destroy a Quebec based company is pure and absolute nonsense.

The Acting Speaker (Mr. Paproski): That is not what I get out of the conversation or out of the debate. Carry on. You have one minute left in your debate.

[*Translation*]

Mr. Della Noce: Mr. Speaker, I simply want to say that a good budget is one that keeps people working. The government is doing everything it can to create jobs in Quebec. I think it is just too bad that some organizations are sabotaging this effort. They do not care what happens, because it is not in their own backyard. I say let our own people run things. Union members should wake up and get cracking. Do not let other people tell you what to do. You can stand on your own two feet. Run your own show. I will help you. I will not let you down. We cannot afford to lose 2,200 jobs. We certainly cannot.

This is part of the budget. This is part of Canadian unity. Whether, we are talking about Ontario, Quebec or Nova Scotia, no one can afford to lose 2,200 jobs. Thank you, Mr. Speaker, I believe I made my point.

[*English*]

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I listened quite attentively to the hon. member's speech.

I was just wondering if his speech was about the fact that perhaps his government has not been able to create, in the last seven and a half years, a healthy economic environment where labour, government and business can work together.

Mr. Della Noce: My government has done everything it can do in a responsible way. It has negotiated in this crisis. We have the best we have in Montreal. We have good relations with every union. We have a Minister of Labour who is doing his best to help me, particularly in this case that I know personally. The government is doing exactly what it has to do.

Mr. Bevilacqua: It's not a healthy environment.

Mr. Della Noce: I can tell my hon. member that even all the jobs we create may not be enough. I want to say that before we create the others, and if somebody can blame me in this House it could be my hon. colleague from Chambly, Toronto or York.

You can blame me as much as you want and you can blame the government. It is part of the game. We are the bad guys. Whatever happens in this country is always the

Prime Minister's fault. We hear that, but there is one thing that is true.

Mr. Nunziata: Eleven per cent can't be wrong.

Mr. Della Noce: Yes, 11 per cent and 17 per cent. That means we are doing something right. If you are popular, you are doing something wrong in politics.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to reassure the member that no one on this side of the House or anyone in this House really has anything other than the highest of respect for the entrepreneurs of this country. They sometimes work seven days a week, 15 hours a day, fighting off bank managers, trying to meet payrolls and make a profit in a very difficult economic time. The hon. member should not cast aspersions over here that we are not sensitive to entrepreneurship because we are.

The question that I have to ask the member is a tough one in the sense that it might be sensitive for him. It seems to me that what this country needs right now is foreign investment. We need foreign capital coming into this country which will make sure that there are pools of capital there for entrepreneurs such as the one he describes, so he will not have undue pressures put on him. There will be some spending out there to put people back to work.

Does this member think that maybe one of the greatest reasons why our foreign investment has shrunk so dramatically in the last year and a half is because we are sending out a signal around the world that we may split as a country? Does this member not think that a more constructive approach for the government to adopt would be to communicate to the people of Quebec the federal presence that exists in that province? The federal presence exists through loans and grants and it exists in every province. Right now it seems that the people of Quebec and a lot of the entrepreneurs of Quebec think the national government is doing nothing for them.

Mr. Della Noce: Mr. Speaker, I want to say to my hon. colleague that when I was speaking he was listening. He was not cutting me off. I have a lot of respect for that. When I mentioned some people, I did not mean him on the other side of the House.

My hon. colleague asks what the message is. Canada is not shrinking. This country is growing. There are too many people who try to play politics and I can only speak for Quebec because I am there every day. There was an article in the paper *La Presse, lundi, 2 mars, page A7*, where a girl said she only makes $15,000 or $16,000 a year, but she forgot to say it is for 52 hours a month and she got $69 a day to have lunch and four hours pay to visit. This does not help my enterprises and this is worse than the message you tried to tell me.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am extremely pleased to be able to be in the House today to address this budget.

Before I get into the substance of the budget I want to share with my colleagues a dream I had last night. When I went to bed I knew I would have to address the budget today. I fell asleep shortly thereafter and dreamed I was a much younger man from some small town, I believe it was in Alberta, and I needed a car. I needed a car because I had to go to another community and it was one of the only ways to get there. Once I was there I might be able to go to school.

I came to the first car lot and lo and behold there was another young man about my age, about half of what I am today, with a warm smile and an engaging handshake, who quickly took me aside and said he had exactly what I needed, a beautiful first-class used car. I followed him and there was a lovely newly painted blue car that looked almost as good as the day it rolled out of the factory.

I started to ask about the motor, the tires, the transmission, and the rear end. He said not to worry and that the car would take me where I wanted to go. He told me to trust him and not to be concerned.

Since I needed a car and he was so convincing, I decided to buy the vehicle. In this dream I started to that next town. The first thing I knew there was a knock in the motor and I could not go any further. I got that repaired. When I looked a little further into the car and had it looked at by a mechanic, we noticed that the transmission was about to go.

• (1640)

I want to tell you that there were a lot of similarities in the dream I had last night and this budget we are in the process of examining right now. There is, indeed, when you explore this budget. When you get right into it you find the problems. Let me not be partisan when I say that. I want to quote some independent sources who have looked at this budget.

For example, last week in *Maclean's*, with respect to the budget: "The result was an artful balance of minor tax breaks and mostly symbolic spending cuts that the minister assembled after weeks of consultation with special interest groups. In round number the budget contemplates $159.6 billion in federal spending, $132.1 billion in revenues, and a deficit that at $27.5 billion will be $2.5 billion higher than the one that Mazankowski's predecessor, Michael Wilson, predicted for 1992-93".

This is an analysis by *Maclean's* of what lies behind the numbers, and I note again the minister's rhetoric.

Let me go on to an article of today in *The Globe and Mail* and I quote: "Welfare and working poor families will fall deeper and deeper below the poverty line says the analysis by Ken Battle, President of the Caledon Institute of Social Policy. Mr. Battle says the new federal program is a blatant election year gimmick because it will provide a temporary enrichment in monthly cheques for low income families next year when an election is expected to be called".

The article goes on to say: "The federal proposals are designed to pretend to fight child poverty". Again, and I quote: "Potential benefits will be completely offset by the lack of indexing".

There is the similarity. The car that I dreamt about looked great, but as I looked into it I found the problems. When I look into this budget, I and others are finding the problems. It is an election budget. Some people have called it a pre-election budget. It skilfully pretends to do a lot and does very little.

Again I want to quote from some analysis that were done.

[*Translation*]

It reads: "Don Mazankowski's great tax break boils down to $2 for a couple with two dependent children and $15,000 total annual income and $15 for a couple with two dependent children and $30,000 annual income". Does the Minister of Finance really expect to be applauded for such ridiculous tax measures?

My colleague, the hon. member for Windsor West, says the minister is playing a game of smoke and mirrors.

Government says it will increase children benefits by $2.1 billion over the next five years. What it does not say is that it has cut these benefits by $3.5 million over the past five years.

Here is a quote from my colleague, the member for LaSalle—Émard, associate critic for finance. He said that the new budget does not generate much business confidence. Minor changes to the tax system do not carry much weight *vis-à-vis* high interest rates and a high dollar. He added that the budget basically ignored the two areas the economic future of Canada depends on: training and R and D.

[*English*]

As I indicated, this is a skilfully crafted budget but when it is looked into deeply one finds it has a lot of blemishes, a lot of imperfections. The verdict is still out on the minister with respect to his capabilities as a Minister of Finance. But as a salesperson, as someone who has been given a job, who has been charged with selling this budget, he has got off to reasonable start. In other words, he has not lost his touch.

All hon. members will recognize that virtually all the ministers have made all kinds of eloquent statements with respect to any number of issues in the economic sphere. In speeches from the throne, for example, there have been references to economic, regional and other kinds of development.

In this House of Commons there have been a number of eloquent statements as well, in addresses throughout the country and in its various public relations initiatives such as the prosperity secretariat. The government talks a good story about productivity, about competitiveness, about globalization, but I wonder if it really knows what it is talking about.

Let us look at the record. We know that taxes have gone up 33 or 34 times. People are angry that they are earning less today than they were a few years ago. We know that in spite of those 30-plus tax increases, the deficit is roughly where it was. We know that the debt has more than doubled and yes, the government has almost doubled the revenues since it came into power a little more than seven years ago.

There are still five million people who are living at the level of poverty or below. Roughly 1.5 million people are unemployed. Roughly two million people are on social assistance. People have suffered personal bankruptcies and business bankruptcies are higher than they have ever been before. Roughly two million people are being fed by food banks. Many of the casualties here are women. Many of the casualties are children and young Canadians, and that saddens me.

What is in this budget? The measure of a budget is to say what is in it for those who have very little, for those who are losing ground. What is there in this budget for the poor? Really, honestly, nothing. For the unemployed, nothing. For those on social assistance, nothing. For those that go to food banks, nothing. For those that have declared bankruptcy, nothing. For the farmers, nothing. For our Atlantic fishermen and women, nothing. For small businesses, nothing. For Manitoba, more heartache.

We know, as we look into this budget, and I use the analogy of a used car, once you start using it, once you start looking at it, you start finding out the problems. There are many problems which have not yet surfaced. I quoted a few. For example, there is the rearranging of responses to families. There is going to be a loss over time. There is going to be something now, but over time there is going to be a tremendous loss to families.

We also know that the government has cancelled the co-op housing program, that it has sliced the regular housing budget. On the other side, it has made house purchasing more easily obtained by certain people who have certain investments in their pension funds for the future. Let me quote an analysis that was done with respect to the slashes in housing.

[*Translation*]

And I quote: "By eliminating social housing and the co-operative housing program, this government also eliminated thousands of jobs in the construction and manufacturing sectors. The number of jobs that will be created in the construction sector following the implementation of the home buyers' plan will be more or less equal to the number of jobs that were lost following the cuts affecting housing starts".

[*English*]

The government is taking on one side, giving on the other, but in the balance there are no real net winners. We note that the family allowance is gone and again, if this budget is analysed one finds that over time families are net losers.

Look at the health sector. After the government had said "we will not touch the transfer formula, we will not touch it", what did it do in 1986? It was reduced by 2 per cent. It was reduced again by another per cent. Then it was frozen in the period from 1986 to 1995. What have we got? We have a reduction cut in transfers of roughly $30 billion for health and education. It is about a 2:1 ratio. So $10 billion less for education, $20 billion less for health, that is what is happening in the health field.

Let us look at what this budget does for students. I have already indicated that there is a cut to transfers that continues and remember that the cut between 1986 and 1995 is roughly $9 billion a year. In this year alone, it is roughly $250 billion for education. There is less for training and retraining, even though there is massive unemployment and social assistance numbers that have never been seen before.

• (1650)

The government says there is more for research and development because the figure is $240 million over five years. It is easy to say that, $240 million more for research and development over five years because the transfer payments have been reduced to education again by $250 million for one year. I would be a wealthy business person if I could increase my revenues that way, and that is exactly what the government has done.

There is also the destruction of key organizations such as the Economic Council of Canada and the Science Council of Canada. Those organizations were vital to planning, to seeing into the future, to making sure that we were doing to the extent that we can the right things to build this country, to get the economy going again, to put people back to work.

If we look at the students today we find that not only do they have fewer dollars transferred to colleges and universities, but they still have that goods and services tax on books and materials. I proposed that the goods and services tax be eliminated at least on books. Perhaps we should be generous and extend it to all reading materials.

There is another interesting feature in this budget. They talk about the 3 per cent administrative fee on student loans. We said a lot about that—and I see one of my colleagues whom I shall not name smiling. I know why he is smiling, because he knows full well that the elimination of that 3 per cent actually will save students on the one hand roughly $20 million. I have done a rapid calculation and I am pretty close. But the removal of the six-month grace period, no interest, will probably give the government $30 million. So you give relief of $20 million on one side and you take $30 million on the other and you say to the students: "Aren't we great guys and gals?" Sorry, folks, it does not work. I go back to my analogy of the used car. In my dream I drove that car and the motor went, the transmission went, the rear went, everything went finally. And when you get into the budget everything goes.

Here is another example of something that really looks good, looks great, a $20 million reprieve for students. But you sock it to them for $30 million on the other side. If that is not dishonest, the kindest I can be is that it is tremendously misleading and it is certainly not putting the goods on the table.

They talk about greater credits. Look at those credits. I think it is $20 a month. I do not want to insult the government, but nothing has changed for years and the cost of living has accelerated by quantum leaps. So you give a little bit, and that is appreciated, believe you me it is appreciated, but at the same time do not pretend that it is more than what it is. Because you are not fooling me and you are certainly not fooling the young people out there.

Look at the increases in tuition fees. By virtually any measure tuition fees have gone up just by leaps and bounds. They have gone way, way beyond the cost of accumulated inflation over time, and it has caused students serious difficulties. We talk often about tuition fees but we do not talk about incidental fees. Incidental fees are those other costs that students have. I have just begun an analysis of those fees and there are two observations that I want to share with my colleagues which may be helpful.

First of all, over all those fees are probably greater than tuition fees. In other words, they cost students more. Second, their increases I suspect—I have not completed the study—will probably be even higher over time than are tuition fees. So the students are getting it socked to them with tuition fee increases and with incidental fee increases, new fees and increased fees and what have you.

What has happened? Student debt is skyrocketing; it is going out of all proportion. I was talking to a student just within the last week who has a debt of close to $50,000. This is for not only undergraduate but graduate program. This is really very high. It is not unusual to find debts of $20,000 to $25,000. Can you imagine, when you and I were just graduating from university, having started out with that kind of *carcan* as we say *en français* on our backs, that load on our backs, with that kind of debt?

But let me make another point with respect to students. We are going to have a summer employment program. It has been advertised in the newspapers. The applications have gone out through the CEIC offices.

What I find really very interesting is that no budget has yet been announced. Why? Normally there is an announcement and it is said what we will have when the applications go out. Why no budget announcement with respect to that program?

Does it mean that there is a big battle in cabinet because there are some generous Conservatives who really want to increase it because they recognize the importance of student employment in terms of the financial support given to students and of broadening their horizons in terms of learning?

Is there another wing of the party that says: "You have to cut that down. We have to be concerned with the deficit in the budget". There is a big battle raging right now and here we are, I, my colleagues and the students out there, wondering just how much will be available. I ask the government to make that announcement very soon.

I would also ask the government to put the cards on the table, tell it the way it is. I have no objections to the government coming forward and saying: "This is what we are really doing. This is the real impact". What I object to is this smoothness, the packaging. It is a beautiful package in many ways with all kinds of neat little coloured ribbons and what have you. But it is deceiving. It is misleading. It does not tell the truth.

I cannot possibly imagine that the government would not want to tell the truth. It is really a PR budget. It is not a budget in the true sense of the word. My colleagues will say: "I am delighted that some of them will get up and I hope raise some questions". What would you do? I think we could start by calling it the way it is. That would really be appreciated. I know there is a temptation out there to exaggerate, to say that it has accomplished or done more than it really has. I suspect that there would be big dividends if the government really called it the way it was.

Many of you will know that even though interest rates have come down, and they still need to come down, there is still a significant gap between U.S. interest rates and our own. That needs to be looked at. The dollar is extremely high. The high dollar is causing real difficulty in selling our products overseas.

Most of you would recognize as well that we need to invest heavily in education, in training and retraining, research and development, science and technology. If we want to be leaders as opposed to followers, that is the path we need to follow.

We need to expand our markets. We need to go beyond the United States because even though the United States is a very important neighbour, a very important trading partner, it is like putting all our eggs in one basket. It is not good to have all of our eggs in one basket. It is not good at all.

Of course, we have to look to see whether or not it is an appropriate time now as we get it from the U.S. with respect to softwood lumber and other problems, to sit down with the United States and say: "This Canada–U.S. agreement has got to be renegotiated".

[*Translation*]

I was just warming up, but I realize my time is up.

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and to Minister of Multiculturalism and Citizenship): Mr. Speaker, I would like to congratulate my hon. colleague for his speech. I listened to him very carefully. I must say that I agree with most of what he said. But at some point, he talked about the United States and used his figures. He will understand why I cannot agree 100 per cent with him. However, he did address an issue, about which even his own colleague asked: Is this country shrinking? No, this country is growing. But how can we get this economy going when in my area, about 30 kilometres from my office, we have a union that refused a 4.5 per cent increase at this time of the year?

It refused a 4.5 per cent increase on a contract left on the table when these people have, at the present time, up to $22.14 per hour and a guaranteed salary of 65 hours per month. If they work 52 hours they are paid for 62. Instead of $19.08 an hour they can go up to $22.14, if my calculation is right, give or take 1 or 2 per cent. If they would work like us, 60 hours per week, they would make $90,000. My question is very simple. How can we grow and ask this country to grow when there are people with signs on a couple of ropes around their necks who say: "The company is no good, but you are going to fly with us when the strike is over because we are not happy with 4.5 per cent increase when we make $22.14 per hour".

• (1700)

[*Translation*]

Mr. Duhamel: Mr. Speaker, I want to thank my colleague for his question, because it is a very serious question. I will try to be serious in providing an answer.

[*English*]

First of all, I do not think that you wanted to imply that all unions are the same as the one that you have identified. I think that is very important.

I think that you and I and others will acknowledge that whatever group we deal with, when it tastes power and perhaps sometimes when it has a great deal of power it does not always use it as sensitively as it might.

I cannot make an accusation with respect to that union because I do not know the details as you have recounted them to me. But we have to recognize that it does not matter if it is a union, a government, a political party, or a large business, some people are not always as sensitive or as gentle as they might be. They do not always see the world perhaps as they should. Perhaps sometimes they think of themselves first and the people they represent after and that is not fair.

The other point with respect to the rate per hour, it sounds pretty good, but we have to remember this. You and I work many hours and we get paid a reasonable salary for it. Certainly I am quite pleased. But some of those people may not be able to work the hours that we work even if they wanted to. We have to remember that. It is very important.

Also, even if they could work those number of hours, I suspect that the work is not always very interesting. That is not a reason for not working. I assure you that I have had a lot of jobs that have not been nearly as interesting as this one and I have spent a lot of hours at those jobs. But we have to acknowledge that for certain jobs, working more than 40 hours per week, 50, 60, 70 hours would be particularly difficult and hurtful to the individual.

I want to make a final point and it is an important one as well. Collectively we all have to be sensitive to the reality today. What happens, and again it is not a partisan shot, is that people see politicians living high off the hog. They do not see us tightening our belts nearly as much as they have to and they have less. We have to understand that if they do not see us setting that example then they will want more. I think *un peu de douceur, un peu de gentillesse*, we have to reach out and talk more. We have to understand that unless all of us put a little bit of water in our wine there are going to be extremely difficult times ahead, not only constitutionally but also economically and in a number of other ways as well.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, while talking about the budget, my hon. colleague mentioned precisely the fact that we must spend some money in order to help students in different programs. I understand that; this is a normal thing to do. However, there is one thing that I have not heard, and that is we must set an example with specific cuts, because our government costs a lot of money.

When I say specific things—I hope the member for Laval-East will understand—I mean that we have to start making cuts that affect us. I want to ask a question of my hon. colleague. I would appreciate getting a specific answer, because I respect him a lot. We worked together on the Beaudoin-Dobbie committee and he did a tremendous job.

Today the House of Commons costs taxpayers approximately $236 million a year. In 1986-87 that cost was $187 million. This is an incredible increase. There are various programs whereby, for instance, members of the House can send newsletters to their constituents four times a year, and that costs some $4.7 million. Could we not come up with a better solution to cut expenses? Could we not simply put a few ads in the local newspapers? This would help those local newspapers, that need it, as you well know. Also, why not hold press conferences when there are announcements to be made? That is my first example.

I have a second example. The former Liberal Prime Minister now gets a pension of $81,000 a year, plus his salary as a member of the House. Since the former Prime Minister works as an hon. member, would it be not more appropriate to give him this pension once he retires? How can a former Liberal Prime Minister get two salaries and particularly a pension?

If it is true that we must set an example in this House, why not start right here? Does the hon. member agree? I know that he will have to show fortitude to say that he does agree.

Mr. Duhamel: Mr. Speaker, I want to thank my colleague for his question and his nice words concerning my work with the constitutional committee.

There is a former Liberal Prime Minister who gets a pension, but there is also a former leader of that party who gets a pension while occupying an excellent position. I am referring to Mr. Broadbent whom I respect a lot. There are also former ministers of the government such as Mr. Nielsen who are getting generous pensions. I believe, he was a member for many years, as well as a minister.

Mr. Edmonston: Yes, but those people are no longer members of the House.

Mr. Duhamel: No, I know, but they hold a job. All this to say that there are members from each party—and I named a few—who have worked here and are getting a pension even though in some cases they have jobs elsewhere.

Mr. Edmonston: Yes, but they are no longer members of the House.

Mr. Duhamel: No, they are not, but let me go on. I would be willing to consider any measure to proceed with an in-depth review of the pension program.

A few months ago, myself and my colleague, member for Edmonton Southwest, followed up on a bill and talked about pensions. We were not harsh. We simply asked if there was a better way to proceed. I noted that at last the NPD leader recently started talking about this. All this is to say that I am willing to review this pension issue in an honest, in-depth and serious fashion. I even wrote an article on this topic, and I would be quite willing to show it to my colleague.

With regard to these newsletters, again I am willing to look at the issue of the cost of the four newsletters that are sent every year, but I believe it is also very important to keep our constituents informed about what goes on in the House of Commons and elsewhere in the country. That is very important.

I would prefer that we look at the budget used by the government to announce its forecasts and other projects. Indeed, it costs hundreds of times more than my four annual newsletters.

To be serious, we must look at major expenses. I fully agree with the principle that you mentioned, namely that it is important to tighten our belt, to set an example. If we do not set an example, why would those who watch us and who sometimes support us want to do that? It would be totally contradictory.

We must set an example and I am willing to do that. I am even prepared to participate and to make suggestions in a number of fields. I have already started doing that and I will be happy to continue to do so.

[*English*]

Mr. John Reimer (Kitchener): Mr. Speaker, when this government was elected to office seven and a half years ago, the biggest challenges facing us was, first, to restore fiscal responsibility; second, to create a climate for a more dynamic, flexible, innovative and competitive economy; and, third, to create jobs.

An hon. member: What happened?

Mr. Reimer: If the member wants to know what happened he should listen to the rest of what I have to say.

The challenge was a large one, to say the least. The federal deficit and national debt were out of control. Between 1981 and 1984 the annual deficit escalated from $14.7 billion to more than $38.5 billion. The national debt had doubled and was growing at an average rate of 26 per cent per year. Likewise, government spending was out of control.

In the four years prior to our coming into office, government spending on programs had increased at an average annual rate of 14.6 per cent, far in excess of inflation and enough to double spending in about five years.

If this trend had been allowed to continue the result today would have been catastrophic. The cumulative effect on our national debt would be an extra $445 billion. That would mean that our debt today would be close to $900 billion, more than double what it is now, if all we had done was to continue the Liberal program before us.

• (1710)

Therefore, if we had continued to spend as the Liberals had, not only would our debt be more than double today, but this year's spending would be close to $289 billion. That is $129 billion more than the $160 billion we plan to spend this year.

In fact, in every single budget since the November 1984 economic statement, this government has cut government spending. In the 1984 economic statement we cut $4.2 billion in spending, followed by our first budget in May 1985 which reduced spending by another $2 billion. In this budget we will be cutting spending by another $1 billion this year and $7 billion over the next five years.

Knowing that Canadians did not want to leave their children and their grandchildren a legacy of crushing debt, it was crucial that this government act, and act we did. Since 1984 we have kept the average annual increase in program spending to 3.9 per cent, which was lower than the average inflation rate over that same seven-year period from 1984 to 1992 of 4.6 per cent. Contrast this 3.9 per cent average annual increase in program spending to the Liberal period from 1969 to 1984 with an average annual increase in spending of 13.8 per cent.

This budget also provides for a 5 per cent ministerial salary cut for the Prime Minister and all cabinet ministers. Added to that, the Prime Minister, the cabinet and all members of Parliament will not receive any salary increase this year. Further, and this is something very few Canadians know, the Prime Minister has since 1984 reimbursed the Government of Canada to a total of $55,155 for the purchase of food consumed by himself, his family and personal guests at 24 Sussex. No other Prime Minister has done that.

In 1985 the Prime Minister and cabinet ministers took a 15 per cent and a 10 per cent reduction in salary respectively and all members of Parliament had their pay cut by $1,000. I am sure if we canvassed the members of this House who were here then, we would learn not a single one of them ever received any positive comment for that.

Furthermore, it is important to remind everyone that a few months ago this government introduced a legislated ceiling on program spending of 3 per cent per year over each of the next five years. This further proves our commitment to control government spending.

No other public administration in Canada can boast of such a record. In fact, in Ontario, my own province, program spending under the provincial Liberal administration of David Peterson rose by an annual average of 10 per cent per year. Now the NDP socialist administration of Premier Bob Rae is spending over 13 per cent at an average annual increase per year.

Further, when comparing this government's record of our annual increase in program spending of 3.9 per cent over the last seven years to that of the Leader of the Opposition when he was Minister of Finance, it is interesting to note that he increased spending at 7.6 per cent or almost double our rate.

Perhaps more seriously, when the Leader of the Opposition was the President of the Treasury Board, the average annual increase in program spending then was 13.7 per cent. One need not take my word for this with respect to the Leader of the Opposition's tenure as President of the Treasury Board. Let me quote what the Auditor General of Canada had to say about his control of the government purse.

This is what the Auditor General of Canada said: "I am deeply concerned that Parliament, indeed the government, had lost or was close to losing effective control over the public purse". He went on to say: "Federal management and control in Government of Canada is grossly inadequate". That is what the Auditor General said when the Leader of the Opposition was in the position of President of the Treasury Board.

Let us also not forget that 10 years ago, inflation was running at over 10 per cent compared to 1.6 per cent as of January 1992. Ten years ago, interest rates were at 19.5 per cent compared to 8.25 per cent today.

That means for a one-year mortgage of $75,000 in February 1992 at a rate of 8.25 per cent, there is a monthly saving of $310 compared to the mortgage rate of 14.25 per cent as of May 1990. Imagine, however, the pain of having to renew one's mortgage 10 years ago when the Liberals were in power at 19.75 per cent compared to 8.25 per cent.

Contrary to prevalent misconceptions and myths propagated by the opposition, the number of Canadians living below the poverty line according to Statistics Canada has fallen by 570,000 since 1984, including 23,000 fewer children. After adjusting for inflation, after tax disposable income has increased by $1,263 per capita in constant 1986 dollars compared to 1984.

Rather than the doom and the gloom that we hear so much about, some of the things this government has been doing have been working very well indeed. The question then might be put: Why is the national debt continuing to grow? Why has it more than doubled, as the opposition takes such pleasure in reminding everyone during this present administration's stay in power?

Yes, the debt has doubled. In fact, the national debt has grown from $206 billion to $420 billion in the past seven years. Fully $239 billion of debt is due to compound interest on the original $206 billion of debt.

Since 1987 this administration has not contributed one single cent to the debt problem. In 1984 we ran a budgetary deficit of $16 billion. In year two it was a deficit of $9 billion, in year three a deficit of $4 billion. However, since then we have had a budgetary surplus every year.

This year that surplus is to be $12.7 billion and the surplus is projected to reach almost $36 billion by 1996, four years from now. Then the government will finally be able to begin paying down the national debt. Then the government will no longer need to borrow to pay interest on that debt but will in fact be able to pay both the interest charges on the debt and have money left over to actually pay that debt down.

Further, as a member of the Conservative caucus on family issues, one of the highlights of the budget was the new family and child benefit program. The child benefit announced in the budget is a great improvement in the way the federal government assists families. The child benefit targets those who need it most, the low and modest to middle income families.

It combines the family allowance and tax assistance into one benefit which will be paid monthly, usually to the mother for children under 18. It will be tax-free, instead of being taxable as is the present family allowance.

For instance, let us take a husband and wife with two children whose ages are one and four. The family income is $40,750. Under the old system, the mother would receive $69.76 per month and the husband would pay tax on those payments minus the child tax credit of $71 per

child. The mother would receive a refundable child tax credit of $882 after filing her tax return. The total benefits would be $1,599. However, under the new system proposed in this budget the mother will receive a monthly cheque of $143.83 instead of $69.76. This cheque will not be taxed and the total benefit will be $1,762 for a net gain over the year of $163. Not only are the benefits greater, but the new system is much simpler.

• (1720)

Also, the child care expense deduction will be increased by $1,000 from $4,000 to $5,000 for children up to 7 years old and from $2,000 to $3,000 for children aged 7 to 14.

These changes will benefit low and middle income families and all families whose net income is less than approximately $68,000 per year.

Further, common law couples will no longer have a tax advantage over married couples. The government is supporting the traditional family by eliminating the existing tax disadvantages for married couples.

Some have argued that this budget does nothing to create hope or new jobs. However, I think that is completely wrong. I would like to explain why I think that allegation is wrong. I am going to use how this budget affects Ontario as the example and why I think that is wrong.

All seven million Ontario taxpayers will have their personal income taxes cut through a reduction in the surtax. It will go from 5 to 4 per cent this year and from 4 to 3 per cent the year after.

We will increase spending on research and development by $230 million to encourage productive investment in Ontario.

Our support for 4.2 million families and 3.4 million children in Ontario will be simplified, streamlined and substantially increased by $400 million per year nationally. Therefore, all these families will have more dollars to spend, thereby stimulating the economy and thereby creating jobs.

We will assist Ontario families to buy a home using their existing RRSPs up to a total of $20,000, thereby creating jobs in the construction industry and further spin-off jobs in other sectors dependent upon it.

The budget reduces the tax burden for approximately 18,000 manufacturers and processors in Ontario by 1 per cent on January 1993 and a further 1 per cent in January 1994.

We will increase the capital cost allowance rate from 25 to 30 per cent for manufacturing and processing equipment, thus creating a greater opportunity for expansion and more jobs. This is in addition to the increased capital cost allowance from 30 to 40 per cent for the trucking industry which we announced this past December.

We will provide new measures to assist Ontario's small businesses by increasing the loan limit to a small business by $100,000.

We will provide additional tax assistance to approximately 322,000 post-secondary students in Ontario, thereby creating a more highly trained labour force.

In summary I would like to say the following. Although none of these measures are dramatic in themselves, when they are all taken together they create new hope and jobs. That is not just my opinion. That is the opinion of people such as John Bulloch, president of the Canadian Federation of Independent Business who said: "I think we can be pretty hopeful that jobs will be more secure because of this budget".

Further, the president of the Canadian Manufacturers' Association said: "I think the budget will help improve the investment climate in the country". The president of the Retail Council of Canada said: "The most important thing is the stimulus to consumer spending in this budget.

Therefore, the opinions of others and everything I have just listed would indicate that all of these put together will create more investment, greater consumer spending and, therefore, more jobs.

Over the last year much has been made concerning the effect of the GST on our economy. In response, I would like to quote from *The Globe & Mail* editorial of December 31, 1991.

> An inflationary tax? Wrong. Instead of double digital inflation predicted by the President of the Canadian Union of Public Employees, inflation has subsided to less than 2 per cent on an annualized basis since last spring.
>
> A tax grab? Wrong. This bears repeating. The GST is not a new tax. It replaced an old tax. The 74-year-old manufacturer's tax. An inefficient tax? Wrong. The GST treats manufacturing and services the same. Within the manufacturing sector, it applies evenly to all goods. It taxes imports and domestic goods in equal measure and exempts exports from tax. The GST's input credits ensure firms are not taxed for investing. As a consumption tax, it avoids taxing individuals for saving. It is thus more neutral in its effect on the economy than almost every other tax imaginable.

In January of this year I sent out a questionnaire to the manufacturers in my riding. I asked them about their experience with the GST after its first full year in operation. One unanimous comment from all of them is that they do not want to go back to the old manufacturers' sales tax of 13.5 per cent. These are other comments they made:

> The GST spreads the tax over a broader spectrum of business. It is a more fair system.

Another one said:

> I would recommend we stay with the GST as I feel it is a fairer tax to all.

Another one said:

> We can never go back to the old way. I believe 100 per cent in the concept of the GST. It was the best move this government has made by moving towards a fairer, broader and unhidden tax system.

That same manufacturer concluded by saying:

> All we ever hear is doom and gloom stuff. We are beginning to feel we missed something important somewhere. We never hear the good stuff that has come out of all of this.

It is clear from these comments that the GST is more fair than the old system. There is absolutely no evidence that it is inflationary and it clearly is not a tax grab.

Another myth is regarding the free trade agreement. The Leader of the NDP said yesterday that the free trade agreement has cost Canada 400,000 jobs and has devastated the manufacturing sector. Yes, we have lost many jobs in the manufacturing sector during the recession and while we had the free trade agreement. No one likes that. No one would take delight in that. However the Prime Minister, in response to her question, reminded her that in 1981–82, without the free trade agreement, we lost approximately twice that number of jobs. In fact with the free trade agreement the Prime Minister went on and said:

> Trade has increased, even though we have been in a recession. Trade with the United States has increased by $35 billion, approximately since 1988 and it is going the right way. Further, we have secured something that most other nations would give their eye teeth for. That is a dispute settlement mechanism in the trade involved with our greatest trading partner. This is a major acquisition.

We can see that we have problems in the free trade agreement today, with Honda and the softwood lumber, but just as we successfully were able to use the dispute settlement mechanism with regard to the pork issue and dispute, we will solve it now with that trade dispute mechanism.

The Acting Speaker (Mr. Paproski): I have five questioners now. I will take them in this order: York North, Edmonton South East, York South—Weston, Etobicoke North and Chambly.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I applaud the hon. member for his desperate attempt at trying to justify some irrational actions taken by his government both in economic and social terms. We must admit he did have the courage to stand to try to save his government from the embarrassment that 89 per cent of the Canadian people are certainly aware of.

• (1730)

I must say that I took note of the fact that the member speaks a lot about the past and very little about the future projections for this country. When we speak to the future, we on this side of the House understand the emerging global village and the global dynamics that are taking place, but we also understand that the emerging global marketplace requires and makes it necessary for a nation to prepare for it. This is exactly what this government has failed to do with this particular budget.

We have 400,000 young people in this country on the unemployment rolls and many more on the welfare rolls. At the same time we have jobs that cannot be filled. Obviously the government has failed at arriving at a national training strategy that will match people to jobs.

I am wondering why it is that this government on one hand speaks about global competitiveness and the prosperity agenda, and on the other does not understand that in order to compete globally we must educate and train young and old people.

We have entered into the free trade deal and there have been casualties. Why has this government failed to retrain those individuals so that we can once again compete?

The question is quite simple: Why does the member accept this budget, a budget with no vision for the future, and why does he stand to try to defend the indefensible?

Mr. Reimer: Mr. Speaker, I do not think the member was listening very well because I clearly said what three other people were saying, not what I was saying, in response to this budget and the future.

The Retail Council said: "This will stimulate consumer spending". Obviously the member was not listening. I also quoted from the Canadian Manufacturers' Association that said: "This will improve the investment climate in Canada". Obviously he was not listening. I also quoted from John Bulloch who said: "I think we can be pretty hopeful that jobs will be more secure". He went on to say: "I think there is more to be happy about than pessimistic".

That is what this budget is doing and what people think it will do into the future. If it truly does stimulate consumer spending, as I went on in other details that I offered, then that will in fact create more jobs, that will create more hope, and that will create more work for the younger people.

I also mentioned that it goes on to help people in post-secondary education and therefore that too would provide for a greater and more trained and educated labour force for the future. All of those speak to the future. Obviously the member was not listening.

We have to put all of these things together, and we will.

I will just quote one more. The International Monetary Fund predicts that Canada will have the strongest economic growth rate of the Group of Seven major industrialized nations in 1992: 3.8 per cent after inflation. That is the best of all of the Group of Seven. Similar predictions have been made by the OECD and by the Conference Board of Canada.

With regard to the future, it is not just my opinion but it is also the opinion of these three boards and the three people I quoted who all said there would be greater hope and therefore more jobs into the future.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I would like to focus on a bit of news that the member gave us. If my note was correct, he told us that the Prime Minister had donated—I think that was the term—$55,000 for food consumed at 24 Sussex for the past seven and a half years. My quick arithmetic indicates that is almost $7,000 a year or almost $600 a month that the Prime Minister is contributing toward his own food, drink or other things consumed at 24 Sussex.

Was the member trying to tell us that was the total amount the Prime Minister and his family were spending on groceries or that is what the Prime Minister thought would be a fair amount? Given his salary of I believe $165,000 a year, I think most Canadians would feel the Prime Minister might pay for all of his groceries. Would the member tell us just what exactly he was getting at with what he announced as a revelation for the House this afternoon?

Mr. Reimer: Mr. Speaker, let me respond to the question from the member for Edmonton Southeast. First it was not given back. It was a reimbursement, which was the word I used. It was for $55,115. If he wishes I could give him the exact amount for each year from April 15, 1985 of $4,000 through to June 19, 1991 of $4,566. I do not think I should take the time now to list what was given back in each of the other years.

In each of these years this was for the food consumed by himself and his family or his personal guests, not official guests who would go there. That would be a cost to the Government of Canada and the people of Canada. These were for his own personal costs.

I think the hon. member would agree that what is significant about that is: When have we seen that before from any other Prime Minister of Canada?

Mr. John Nunziata (York South—Weston): Mr. Speaker, I too would like to commend the hon. member for Kitchener on having the courage to defend the indefensible. Not only did he defend the GST, not only did he defend the free trade agreement, but he also went so far as to defend the Conservative government. For that he deserves credit. He also deserves credit for being one of the 11 per cent of Canadians who believe that this government is doing a good job.

My question for the hon. member is as follows. He knows that over 1.5 million Canadians are unemployed. No doubt he has the same experience that the rest of us have in our constituency offices day in day out, week in week out. Hundreds and thousands of people in our constituencies are unemployed. I would like to know what advice he gives to the unemployed in his particular constituency in the Kitchener area.

Does he comment as he commented today about what this government is doing, or does he give any other specific advice? Does he tell his constituents that they must have patience, that they need not worry about the rent or the mortgage payment or where the next food bill is coming from, that because these so-called fundamentals are in place perhaps his constituents might have a job in six months' or a year's time?

I would like to know specifically what advice he gives to the desperate unemployed in his riding who come to his office seeking help.

Mr. Reimer: Mr. Speaker, one of the greatest difficulties I think all of us as members face is when some of these people, particularly the older ones say in their mid-fifties to close to sixty, come to our offices. That is the group where I have the greatest difficulty in giving any advice. To that degree when the member asks his question, and I will take it as a serious question, there I have great difficulty answering that one. For many of those people retraining is very difficult, if not almost impossible, in various types of work. That is the group where I really have difficulty responding with specifics.

I try to do what I can. Sometimes I have been successful. We have an organization in Kitchener that is called 55 Plus which the government has assisted in the past through my interventions on its behalf. That has helped some of these people.

For many of the younger people, the answer has to be that they should get themselves better training.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Saanich—Gulf Islands.

The Budget

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to add my voice to the debate on the budget. I hope to inject some efficiency in this as I only have about five minutes before the bells start to ring.

• (1740)

The last budget was supposed to be offering some hope to Canadians. We have 1.5 million unemployed people in Canada and they were looking for direction from this government to give them some hope. Unfortunately, once again, those people were overlooked.

In my riding of Saanich—Gulf Islands there is a huge housing crisis. My community has the third most expensive housing prices in all of Canada after Toronto and Vancouver, and when you consider the salaries earned in my riding compared to those other centres, my riding has the most expensive housing in all of Canada.

What does the government do to respond to this? It eliminates co-op housing; it eliminates social housing. This is done with no consultation with the provincial government at all. Having just had the five-month grand tour on the constitutional issues and recommended that there not be a devolution of federal powers to the provinces without some consultation, it is tantamount to an abdication of federal responsibility.

What is the provincial government in British Columbia to do for those people who are desperate for housing, the young families, the older people, the native people, the disabled people?

The municipal affairs minister in British Columbia has pointed out that we are going to be losing over 900 units in the next two years. That is a $70 million loss in construction and 500 jobs. Is this the Tory way of creating jobs? I can see why they are at 11 per cent in the polls.

There are two projects in my riding that have fallen through the gaps. These are people who have nowhere to live, and this government once again fails them.

Another issue that is very important and on which I have had phone calls from my constituents is the elimination of the Court Challenges Program. I have before me a letter from former Supreme Court Justice Bertha Wilson in which she points out that on numerous occasions she has expressed the view that it is totally

illusory to confer rights on people, the Charter of Rights and Freedoms, who do not have the means to enforce them.

That is what the Court Challenges Program did; it gave the wherewithal to those people who do not have the means to hire a high priced lawyer to do court challenges. She, of course, appreciates that governments are currently in a period of financial restraint, but she says that she has difficulty with a policy that places the burden of that restraint on those that can least afford it. That is what this government has done time and time again.

The final issue I want to point out is the environment. As an associate critic for the environment for my party, this is once again smoke and mirrors. What we have seen with the green plan, the big ticket item that was supposed to ensure the re-election of this government, is that the government added insult to injury once again by re-profiling another $150 million in this budget, $75 million in both 1992-93 and 1993-94.

I asked the Minister of the Environment today about a kind of business opportunities incentive regarding ozone depletion, CFCs, the extraction, the Vampire units. This is an opportunity not only to create jobs but to preserve the ozone layer of our country. There is no money for this.

When the minister meets with the environment ministers next week in Vancouver I do not know where he is going to find the money to be able to do that recycling program that he says is the responsibility of the provinces.

This is a shameful budget. It is a budget of despair. As New Democrats we do have alternatives. We have the vision. We have the commitment, not just to the rich but also to the unemployed and the low income families.

The Acting Speaker (Mr. Paproski): It being 5.45 p.m. it is my duty, pursuant to Standing Order 84(5), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment now before the House.

Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will be please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

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

(*Division No. 111*)

YEAS

Members

Althouse	Anawak
Arseneault	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)	Baker
Bélair	Bellemare
Berger	Bevilacqua
Blaikie	Boudria
Brewin	Caccia
Callbeck	Catterall
Chrétien	Comuzzi
Copps	Crawford
Dingwall	Dionne
Duhamel	Edmonston
Ferguson	Finestone
Fisher	Flis
Fontana	Foster
Fulton	Gaffney
Gagliano	Gardiner
Gauthier	Gérin
Gray (Windsor West)	Grey (Beaver River)
Guarnieri	Harb
Harvard	Harvey (Edmonton East)
Hopkins	Hovdebo
Hunter	Keyes
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Kindy	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	LeBlanc (Cape Breton Highlands—Canso)
Leblanc (Longueuil)	MacAulay
MacLaren	MacLellan
Manley	Marchi
Marleau	Martin (Lasalle—Émard)
McGuire	Mifflin
Mills	Mitchell
Murphy	Nunziata
Pagtakhan	Peterson
Phinney	Proud
Prud'homme	Robinson
Rodriguez	Simmons
Speller	Stewart
Stupich	Taylor
Vanclief	Volpe
Walker	Wood—82

NAYS

Members

Andre	Atkinson
Attewell	Beatty
Belsher	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bourgault	Boyer
Brightwell	Browes
Cadieux	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Côté
Couture	Crosby (Halifax West)
Danis	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Domm
Dorin	Duplessis
Edwards	Epp
Feltham	Ferland
Fontaine	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Hogue
Holtmann	Horning
Hudon	Hughes
Jacques	James
Jelinek	Johnson
Joncas	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Lewis
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Marin
Martin (Lincoln)	Mayer
Mazankowski	McDermid
McKnight	McLean
Merrithew	Monteith
Nicholson	Oberle
O'Kurley	Plourde
Pronovost	Redway
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	Saint-Julien
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Thacker	Thompson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van De Walle	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Worthy—123

PAIRED—MEMBERS

Assad	Clifford
Fee	Jordan
Lee	Milliken
Pickard	Tardif
Vankoughnet	Vézina

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

It being 6.14 p.m. this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.14 p.m.

HOUSE OF COMMONS

Wednesday, March 11, 1992

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

TERRY FOX ACHIEVEMENT AWARD

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Terry Fox Achievement Award honours an individual or group that best exemplifies the spirit, dedication and determination for which Terry Fox will always be remembered.

Tonight this national award is being presented to Joey Saccary, a grade 12 student from Glace Bay High School, a victim of spina bifida.

Joey has been active at Glace Bay High with the Circle of Friends and is the founder of the Disability Awareness Group.

He is a volunteer with the IWK Telethon and a camp for disabled children. He was a member of the first Youth Focus Group sponsored by the Nova Scotia Youth Secretariat.

Joey has served on the University College of Cape Breton task force on problems pertaining to the disabled and has worked with the Department of Tourism in studying accessibility of buildings for those who are blind or wheelchair bound. He is a member of the Spina Bifida Society and The Wheelchair Sports Association.

Mr. Speaker, I want to express through you to him how proud I am of this courageous and determined young Canadian. Congratulations, Joey.

SALMON FISHERY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I wish to commend the Minister of Fisheries and Oceans and his colleague in Newfoundland for their responsible and forthright conservation decision announced last week to close commercial salmon fishing in Newfoundland.

This virtually completes the closure of commercial salmon harvesting throughout Atlantic Canada, except for Labrador, following earlier bans in New Brunswick and Nova Scotia over past years. This recent decision must be recognized as a particularly difficult one in view of the cod tragedy now being experienced in Newfoundland waters. Therefore, the accompanying joint government proposal to purchase salmon licences for permanent retirement is both a compassionate short-term measure to provide relief to the financial burdens of many fishermen, as well as a sound long-term investment in the conservation of the Atlantic salmon resource. Slowly but surely we all are learning the hard lessons about conservation in Canada. The Atlantic salmon will ever be an important symbol of our environmental mission. Let us ensure that we build that resource on the moves now made and that we permit no other challenge to impair its conservation.

* * *

[*Translation*]

CONSTITUTIONAL RENEWAL

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I was disappointed yesterday when I heard the Minister of National Defence criticize the three-party report on a renewed Canadian Constitution. The Prime Minister of Canada supported the report in Quebec, but where are the other 12 cabinet ministers from that province? Who speaks for a renewed Canada in Quebec? It is high time the other 12 spoke up as well.

[*English*]

It is important since we have 12 ministers from the province of Quebec who sit in this federal cabinet that they go to the province of Quebec and speak in favour of a renewed Canada. So far the only person who has done that from the government across the way has been the Prime Minister, who has gone out and said "yes" to the report of the three political parties. That is important, but it is important also that the other 12 ministers do the same.

I ask this question: Who speaks for Canada? Who speaks for a renewed Canada in the province of Quebec? It is important that the 12 ministers get out there and sell this idea of a renewed Canada that we talk about in our report to the people in the province of Quebec. It is important that they do so.

Mr. Speaker, I ask this: Who besides the Prime Minister is speaking for a renewed Canada in the province of Quebec?

* * *

SHABBAT ZACHOR

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, this Saturday marks Shabbat Zachor, a sabbath set aside by Jews around the world to remember the plight of all oppressed Jews.

I believe very strongly that we must remember the struggles of the people who face daily discrimination because they are Jewish. Syrian Jews are in this intolerable situation.

It was at this time in 1974 that four young Syrian women were caught trying to escape Syria into Lebanon. Their raped and mutilated bodies were dumped in sacks in front of their parents' Damascus homes.

Jewish students from across Canada will be on Parliament Hill tomorrow lobbying to make us aware of the terrible plight of Syrian Jews.

We must support them and work together to ensure that Syrian officials stop this persecution. Syrian Jews must no longer be denied important and basic human rights.

* * *

VETERANS AFFAIRS

Mr. George Proud (Hillsborough): Mr. Speaker, when the Minister of Finance announced the winding down of the Veterans Land Administration's recent budget, he caused a great deal of grief to the employees of this agency by the manner in which the elimination of the agency was announced. At the time no clear path was announced for the future of the agency or its employees. Other employees of the Department of Veterans Affairs are also wondering what the future holds for them.

I call on the Minister of Veterans Affairs to assure the employees, both of VLA and other sections of the Veterans Affairs portfolio, at the earliest possible time that there will be no staff cuts in this department.

I want the minister to also assure the House that he is not planning to shuffle departmental positions around the country to satisfy short-term political gain. The people in this department deserve to know what the future holds for them. The veterans of Canada also deserve to know that the high level of service to which they have become accustomed since the end of the wars will continue.

* * *

TRURO, NOVA SCOTIA

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, *Chatelaine* magazine recently chose Truro, Nova Scotia, as one of the 10 best communities in Canada in which to live. Truro was selected based on being one of the safest, most affordable, most neighbourly towns. I would like to add that Truro is also innovative, positive, generous and independent.

Currently Truro groups are working on economic development projects, environmental projects, and immigration projects that are unique for all of Canada.

During the application period for the Atlantic women's prison, Truro groups came together and developed a very comprehensive application involving many sectors of the community. Even now, after the decision to locate

the prison in Truro has been made, the community is determined to make it the best in the country.

Chatelaine's endorsement of Truro was well earned and Truro and its people should be proud of their community.

* * *

CANADIAN CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY

Mr. Bob Wood (Nipissing): Mr. Speaker, would you spend $8 million a year to help save $20 billion? Apparently this government will not. I am referring specifically to the Canadian Centre for Occupational Health and Safety.

The centre, as you know, is a model organization in that it exemplifies the spirit of co-operation that can exist between government, labour and business. All three share in its administration.

It has in its mandate the promotion of health and safety and disease control in the workplace. It is a Canadian success story that is world renowned for its objective research and it provides useful information to all segments of society.

• (1410)

Indeed, of its total sales, 43 per cent of them were to foreign markets. Yet this government is threatening to shut it down by calling off its funding.

This government likes to talk about productivity, competitiveness and the need for co-operation but does very little about it. Here we have a centre the work of which helps to prevent over $20 billion a year in lost productivity to the economy for a nominal cost of $8 million, and declining.

With the spiralling costs of health care, it makes sense to take preventive measures through education and information campaigns. If anything, perhaps the government could use the centre to help correct its short-sightedness.

* * *

[*Translation*]

THE BUDGET

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I wish to draw the attention of Quebecers to highlights of the 1992 federal budget. The reduction in the personal income surtax will benefit 4.7 million taxpayers in Quebec.

We are going to simplify, streamline and enhance federal support for 2.9 million families and 2.3 million children in Quebec.

The negative aspects of the present tax system for the average family will be eliminated.

We will make it easier for people to own their own homes by allowing families in Quebec to use funds invested in their RRSPS.

We will reduce the tax burden on 11,000 Quebec companies in the manufacturing and processing sectors; we will increase the capital cost allowance rate for machinery in those sectors; and further measures are planned to assist small businesses and farming operations in Quebec.

We will improve assistance for some 42,000 disabled persons in Quebec.

And finally, Mr. Speaker, we will provide additional assistance for about 170,000 students at the post-secondary level in the province.

* * *

[*English*]

ELLIOT LAKE

Mr. Maurice Foster (Algoma): Mr. Speaker, today Denison Mines is shutting down its mining operations in Elliot Lake, Ontario, resulting in the loss of some 1,000 jobs.

The number of jobs lost during the last two years is over 3,400 or 85 per cent of the mining jobs in that community. One cannot exaggerate the adverse impact these lay-offs will have on the community in terms of loss of competence in the future and loss of hope that new employment can be found for these workers.

Making things even worse, the government has announced it is closing the Atomic Energy Control Board office in Elliot Lake at a time when it should be expanding its operation to ensure that the decommissioning of these uranium mines is done in a proper way to protect the long-term safety of the community.

I call on the Government of Canada to reverse its decision regarding the Atomic Energy Control Board office. I call on the Government of Canada to put in place new effective adjustment programs to assist workers who have lost their jobs and to take new initiatives to diversify the economy of Elliot Lake and the north shore communities.

S. O. 31

FEDNOR

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, since 1987, the federal government through a regional program called FEDNOR has created a total of 474 projects worth $127 million, with $36.2 million from the federal government, and created over 3,000 jobs.

In my hand today I have hundreds of letters endorsed by the Chamber of Commerce, town councils, residents and business people urging that this program continue.

I have yet to hear from the other side, from the member for Sudbury who has a regional office there, from the member for Thunder Bay who has an office there, or from the member for Sault Ste. Marie who has an office there, about whether or not they support FEDNOR.

It is a program that was brought together by northern Ontarians for northern Ontarians to develop the north. We need FEDNOR.

* * *

SHABBAT ZACHOR

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, this year's commemoration of Shabbat Zachor, the sabbath of remembrance and prayer for the Jewish community of Syria, will be held on March 14 in synagogues across Canada.

On that day, not only Jews but all Canadians are reminded of the oppressive treatment of 4,300 Syrian Jews, including surveillance by Syrian secret police, economic restrictions and denial of basic human rights such as the right to vote, freedom of assembly, freedom from arbitrated tension and the right to emigrate, in contravention of the UN Declaration of Human Rights.

The plight of two brothers, Selim and Eli Swed, serving six and a half year sentences after unfair trials, is particularly grave. Recently members of this House and the Senate from all parties joined to form the Canadian Parliamentary Friendship Group for Syrian Jewry.

As vice-chair of this group, I join with my colleagues in commemorating Shabbat Zachor, and in strongly urging the Syrian government to release the Swed brothers and ensure that at last there is full respect for the fundamental human rights of all Syrian Jews, including the right to emigrate.

* * *

REFORM PARTY

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, the Ides of March are not yet upon us, but I, like the soothsayer, want to warn all Canadian senior citizens that Preston Manning and his retreads want to benefit from you when you die. That's right folks. Just call up some Reform Party office and you will be given the name of an insurance agent who will assist in a peaceful way, especially if you are aged and ill. They will transfer your life insurance policy directly to the Reform Party instead of your loved ones.

Preston then will likely send you a beautiful letter stating that when the time comes you will be dearly missed but heaven is waiting. Signed with anticipation, Preston.

P.S. Have you any older relatives we could contact? God bless.

* * *

INTERNATIONAL WOMEN'S WEEK

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, this is International Women's Week. We should be celebrating the advancement of women. Instead, this government is continuing its shameful record of contempt concerning Canadian women.

This week we have been debating a budget which tells working women they do not deserve retraining by cutting the Canadian Jobs Strategy by another $100 million; circumvents the Human Rights Tribunal and the Federal Court by reneging on a billion dollars of pay equity payments; reneges on the government's promise to promote equality rights by killing the Court Challenges Program; kills family allowances in favour of a targeted benefit which does nothing for families on social assistance, many of whom are headed by women; condemns more women and their children to homelessness by eliminating co-op housing. It has also reneged on its promise of child care.

This government signed the UN Convention on the elimination of discrimination against women. Canada should be implementing policies here at home which would serve as a model for the world. But no. What this government is saying to women is: "Wait a while longer".

* * *

CANADIAN BROADCASTING CORPORATION

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, it is reported that the CBC refuses to run a paid ad promoting Canadian unity. It says that it does not want to get political, it might offend someone.

This corporation, which does not want to get political, is quite happy giving publicity to Loretta Swit of MASH fame as she sits on an ice floe beside a seal.

Apparently it is not too political to give publicity to the affluent Hollywood star while giving short shift to the beleaguered Atlantic cod fishery.

Without a united Canada there will not be $1 billion in taxes to pay for the CBC. There will not be any need for a national network because there will not be a nation.

Without unity in Canada there will not be a need for the mother corporation. Perhaps the CBC should consider why it exists, who it exists for and spend a moment thinking about the "Canadian" in their name.

Without getting too political, I think the CBC should get its priorities straight.

ORAL QUESTION PERIOD

[*Translation*]

BEAUDOIN-DOBBIE REPORT

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister.

I have not always agreed with him in the past, and I still feel there are a number of major issues on which we disagree strongly. However, I do agree with the Prime Minister that we must use all the means at our disposal to achieve reconciliation and put together a set of proposals for this country that are acceptable to all Canadians. And that is why all members of the parliamentary committee voted for the Beaudoin-Dobbie report.

I would like to ask the Prime Minister whether the Minister of National Defence was speaking on behalf of the Canadian government when he attacked the Beaudoin-Dobbie report yesterday.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have the transcript of last night's broadcast of *Le Point*, where Mr. Masse was a guest. He said the following: "Looking at this from an historical perspective, I entirely agree with the Prime Minister that the Beaudoin-Dobbie report goes further than any other in terms of being open to the needs of Quebec and taking into account the particular situation in Quebec".

Mr. Masse confirms what I said on Mr. Cournoyer's radio show last week. I said that although Beaudoin-Dobbie was the product of a parliamentary committee and thus not necessarily government policy, it nevertheless remains a document that is very important as part of Canada's constitutional development and in my opinion, its approach to the provinces, to aboriginal people, to institutional reform—and here I am thinking of the Senate—and to the distribution of powers is the most generous and the most open approach this country has seen in 125 years.

The report and the parliamentarians from all political parties in this House, whose efforts and spirit of co-operation were exemplary, deserve our respect.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I like the statement of the Prime Minister, but I would like to ask him this question.

After 18 members of his caucus, plus members from this side of the House, the NDP and Liberals, signed the report and the Prime Minister and the minister in charge of the Constitution said last week it was a good report, is it not the obligation of every member of the government to defend what the Prime Minister calls "the best constitutional proposition since 1867"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is a parliamentary report and it is not a question of government policy. We are examining it very carefully. As I have just indicated, I quite frankly am very impressed by the work of the committee.

The Minister of National Defence indicated last night on television—

• (1420)

[*Translation*]

"I entirely agree with the Prime Minister. This report goes further than any other in terms of being open to the needs of Quebec".

[*English*]

This is a substantial statement of agreement and an endorsement of the position of all of the people who worked so hard to put together the report. At an appropriate time, the House will be—

Mr. Lapierre: Come on.

Mr. Mulroney: The Bloc Quebecois does not agree. The poor Bloc Quebecois is trying to destroy a great country and it is going to be surprised when Quebecers are confronted with the real question and they say "We want to remain Canadians.".

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to know from the Prime Minister whether it would not be better for all Canadians if the members of his cabinet did what they had to do to be applauded by members of the Conservative Party, instead of being applauded by members of the Parti Quebecois, as was Mr. Masse.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I just said twice that the Minister of National Defence, on *Le Point* last night, fully endorsed the position I had defended on Jean Cournoyer's program. Now if my friend is complaining that there may be differences of opinion from time to time within a political party, I am sorry, but I would point out the huge difference between his position and that of the hon. member for Saint-Henri—Westmount.

Some hon. members: Oh, oh.

Mr. Mulroney: Yes, it happens in the best of families. It is not perfect. You do not have total solidarity yet. So those are things that happen. The Minister of National Defence said last night that he fully supported the Prime Minister's position, and I congratulate him on his good judgment.

[*English*]

TRADE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in 1988 the Prime Minister said that the dispute settlement mechanism in the free trade agreement was: "a genuine shield against new U.S. protectionism.". Yet in the case of softwood lumber and of Honda automobiles that shield against new U.S. protection is obviously not there.

When will this government recognize that the free trade agreement is not providing the secure access to the American market which was its original justification? What is this government going to do to ensure that such protectionist abuse is eliminated in trade between Canada and the United States?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, it is clear that under the free trade agreement, and I am sure my hon. friend would not have it any other way, each country has its own trade protective laws, laws to protect its own interests. We have applied ours in certain cases, the Americans applied theirs in other cases.

As I have said on many occasions, no other country in the world has a dispute settlement mechanism. We have it to ensure that the trade laws are applied in a fair, open and equitable way as far as both sides are concerned. That is what we have in the free trade agreement. That is a very important step forward with the free trade agreement, as we have seen most particularly with the pork decision not too long ago where Canadians interests were protected when they were under attack from protectionist forces in the United States.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the free trade agreement merely provides for the evaluation of the fair application of U.S. trade law. When the government signed the memorandum of understanding in 1986 on softwood lumber, it did so largely because there was no agreement between Canada and the United States on the question of what is a subsidy. There is still no such agreement today.

Without a clear definition of subsidies, how can there be an effective process for dispute settlement?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, one of the key things that we did not have in 1986 was a free trade agreement with a dispute settlement mechanism. Now we have that important balance, important factor in the free trade agreement that allows for these disputes to be settled in a fair and equitable fashion.

My hon. friend talks about a definition of subsidy. We provided in the agreement, because we could not get an agreement at that time as to what would constitute the subsidy, five years within which we would establish that.

Since that time we have been discussing this under the auspices of the GATT and the Uruguay round negotiations. As my hon. friend knows from reading the Dunkel proposals of December 20, we have made a very important step forward as to what constitutes a subsidy. There is still more work to be done, but it is a major step forward in establishing the definition of subsidy.

* * *

THE BUDGET

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister. As the House knows, we are celebrating International Women's Week this week. Unfortunately the government's recent budget, with the total elimination of a national child care program and its refusal to honour the government's pay equity to the women in its employ, gives women little reason to celebrate.

The government has fought its female employees every step of the way, refusing to pay the $1 billion in pay equity that is owing to the women working for this government.

My question to the Prime Minister is this. Why is the government willing to give a $1 billion tax break so that corporate executives can have lunch with each other but it refuses to give the $1 billion to those women who have earned it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think there would be general agreement in the House that the concept of equality for all Canadians, and particularly the one raised by my hon. friend, the advancement of the cause of equality for women, is a most important and very noble undertaking and the government and parliamentarians are committed to it.

I think in fairness my hon. friend should acknowledge that since this government came to office there has been an increase of over 100 per cent in the appointment of women to agencies, boards and commissions in decision-making positions.

When we became the government there were three women who were deputy ministers, there are now 21 at that level. There were two women who were ambassadors, there are now 16 or 17 heads of mission. We have added women to the Supreme Court and at the next cabinet meeting tomorrow—when we formed a government there were 37 women appointed to the federal bench across Canada—this government will be naming the one hundredth woman to fill a senior judicial position in Canada.

These are all very important advancements of women in our society into the decision-making process, making the decisions and exercising power where it really counts. That did not exist in the past. We have made very major steps forward but we have a long way to go.

I hope my hon. friend will bear these realities in mind and place them in context when she is asking her questions and commenting on the status of women in Canada.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the context is that business executives get a $1 billion tax break and women with lower incomes who work for this government do not get the pay equity that they deserve, that the courts have said that they deserve and that this government owes to these women. Those are the facts and noble intentions do not put bread on the table.

• (1430)

Because it also affects these lower income groups in our society, not only do women suffer from not having pay equity within the government and outside the government, but the government's tax changes that are announced in this budget also mean that lower income families are paying more taxes. The de-indexation of tax credits, which continues, means that more families are paying higher taxes in the lower income bracket, approximately $200 more in taxes.

I ask the Prime Minister a simple question: With this de-indexation of tax credits, why has the government continued a hidden tax on the poor and working Canadian families?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, that conclusion is absolutely false. There are two parts to the question. The first part deals with pay equity.

I remind the hon. member that we have made adjustments to pay equity on a retroactive basis going back to, I believe, April 1, 1985 of in excess of $400 million. I do not believe that there is any other administration or government in Canada that has undertaken that.

In addition to that, we provide for an additional $81 million for future pay equity provisions. Again, there is no other administration in Canada that is as generous as that.

With regard to the second part of the question, the hon. member should take a look again at the child benefit program. This is clearly designed, together with the earned income supplement and the very generous offerings as a result of the consolidation of the family allowance, the child credit and the refundable tax credit, so that working poor families with children will certainly be a lot better off.

Furthermore, unlike the family allowance which is now taxed away, the payments of up to $144 per month will be provided to 3.1 million families without being taxable. That clearly indicates this is a generous program. It is focused and it is simple.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the truth remains that in this budget on which we will be voting today and on which this party will be voting against, not only is social housing cut back, not only is co-operative housing cut out, not only is pay equity not in it, the avenues that people have had to even challenge the government and to challenge those authorities is cut back.

[*Translation*]

Two years ago, the federal government said that it would continue to fund the Court Challenges Program, which helps the most disadvantaged.

The government explained that it wanted to reaffirm its commitment to promoting human rights.

I would like to ask the Prime Minister a question. This program was just cancelled in the budget. Does this mean that the government is no longer interested in promoting human rights in Canada?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it does not surprise me at all to learn that the New Democratic Party will be voting against tax cuts for 14.6 million Canadians.

It does not surprise me at all that the NDP will be voting against reducing deficits and reducing the size and scope of government. That does not surprise me at all.

The hon. member suggests that there are some programs that are being cut. Yes, indeed there are some programs that are being cut.

These are very difficult and tough decisions to make, but the fact of the matter is that Canadians do not want to see the deficit rise and they do not want to see their taxes rise. So the tough choices mean that you have to cut some programs. You cannot cut spending without cutting programs.

* * *

TRADE

Mr. Jim Peterson (Willowdale): Mr. Speaker, the Honda syndrome will drive out not just automotive but all other manufacturing in Canada that is producing for the U.S. market.

In light of this, has the trade minister obtained the consent of the United States to binding arbitration of the Honda dispute? If not, why not?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the concern that my hon. friend is expressing about the Honda issue is precisely the same concern that we have as a government and that we are acting on in the activities that we have undertaken in dealing with this matter with the United States administration.

We have initiated discussions with them under chapter 18 of the free trade agreement. Those consultations continue in two senses. Once those consultations are

completed we will decide whether or not it is appropriate to have some other form of consultation.

Mr. Jim Peterson (Willowdale): Mr. Speaker, the minister's idea of talking tough with the Americans is to beg on his knees and prostrate himself in Washington.

He still cannot get the Americans, as he admitted today, to agree to binding arbitration on the Honda dispute under chapter 18. Will the minister at least admit that his much lauded dispute settlement mechanism under chapter 18 of the free trade agreement just is not worth the paper it is written on?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the excessive rhetoric is totally inappropriate. There are three ways that we can have consultations with the United States administration.

One is through the normal operations of the U.S.-Canada Trade Commission which meets at least two times a year. The second is chapter 18—

Mr. Peterson: Which you are using, you said.

Mr. Wilson (Etobicoke Centre): If my hon. friend would be patient for a minute, I will give him the full answer.

Chapter 18 is the second basis on which we can have consultations which are not binding. Chapter 19 is a binding dispute mechanism that is the final stage.

My hon. friend should understand that prior to the free trade agreement we had none of those three means by which we could have this type of consultation. We now have a free trade agreement with these ways with which we can discuss these issues which are bound to come up in a trade relationship as broad and as deep as we have with the United States. That is the value of the free trade agreement in dealing with this type of dispute.

* * *

ATLANTIC FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, during Monday's Question Period, the Prime Minister indicated that he and the government are considering a number of options with respect to the foreign overfishing issue.

At that time he invited me to make some suggestions to him. I have one for him. Take immediate steps to extend functional jurisdiction over the nose and tail of the Grand Banks. There is my suggestion. Is is ready to act on it?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, this is indeed a unique suggestion. The hon. gentleman is going to take over functional jurisdiction of international fishing activities outside the 200 miles when there is no other nation in the world that has said it would agree to Canada or any other country taking that course of action.

That is an invitation to conflict. That is not reasonable or sensible. That is simply trying to make oneself appealing to those who would like to see direct action when this is a complicated world and direct actions are not always the kind of actions that one can take.

For example, we were down in New York pursuing this matter at the UNCED conference where we have a chance of getting the rest of the world to agree with us. The rest of the world is not going to agree with us if we simply go out making heroic gestures that the rest of the world is bound not to observe, including all of the powerful industrial countries of the world, all of whom believe in freedom of the high seas.

Hon. Roger C. Simmons (Burin—St. George's): Yes, Mr. Speaker, he has been down in New York and last year he was over in Strasbourg. Last week, some of his colleagues were in Strasbourg. They have come back this week to tell him that our lobbying effort over there is absolutely non-existent or to the degree it exists, it is an absolute joke.

The best proof of that is the cockamamie stuff that the British MPs are saying these days about seals and sealing. The government has no lobby campaign. It is a joke.

I ask him, would he now return to his position of some weeks ago when his Prime Minister was not listening, when he was in Newfoundland and he said he was running out of patience. Has he run out of patience? Is he now prepared to do what I suggested just now and what he himself suggested in little groups back in Newfoundland?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. member becomes more imaginative as he goes on.

We can adopt either an attitude of posturing or beating our chests. The hon. gentlemen reminds me of King Kong except he is not quite the same size. I am more in the Kong size myself. I see there is general agreement with my reply so I am sitting down.

* * *

• (1440)

HOUSING

Mr. Ross Harvey (Edmonton East): Mr. Speaker, there will be those who make claim that what you get now is Kong II.

I have a question for the Minister of Finance. On January 27, a mere four weeks before the budget killed the co-op housing program, the Minister of Finance wrote to the president of the Co-operative Housing Federation of Canada, indicating the program would continue for 1992-93 with a new funding commitment of $6.1 million.

On February 19, less than a week before the program's public execution, the Minister of Public Works wrote a similar letter to the president of the Conseil de la coopération du Québec.

Did the Minister of Finance truly not know the program would be eliminated when he wrote his January 27 letter? Had no one bothered to tell the minister responsible less than a week before the budget? If the two ministers did know, how can the wholly incorrect assurances contained in their letters possibly be explained?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the cuts that were necessary in the budget reduced the social housing spending to 3 per cent. This is unfortunate but it was a move that had to be taken. People in this country understand that.

Obviously there are alternatives. We could take the money from the seniors and apply it. We could take money from other places. This government has decided not to do that. We feel this is the proper move for the proper time.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, that is a fascinating, if somewhat inadequate, answer but it completely ignores the question unfortunately, as did the minister to whom it was directed.

Might I ask the Minister of Finance whether he really believes that the depths of a protracted recession is the right time to cut funding for new social housing by half over the next two years? Does he not think this is both socially cruel and economically lunatic, especially when, in another part of the budget, strenuous efforts are undertaken to spur new housing construction? Or does he believe that the poor and those of moderate income characteristically have wads of cash stashed away in RRSPs?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows, I am sure, that the Government of Canada spends in excess of $2 billion annually on social housing and will continue to do that.

With respect to social housing, I think the hon. member would also know that 50 per cent of those living in co-op housing would not be eligible and, therefore, do not really qualify for social housing under the criteria established.

It is important to ensure that we channel scarce resources to those in most need. That is exactly what this budget does. That is exactly what is happening under the continuing support for the social housing which will increase this year by $70 million and $45 million every year thereafter. That creates an ongoing obligation for 35 years.

Mr. Joe Fontana (London East): Mr. Speaker, no wonder this minister killed the co-op housing program. He does not even understand what it is all about and what need it fills for Canadians. One week ago—

Mr. Speaker: Perhaps, the hon. member would want to put his question appropriately.

Mr. Fontana: Mr. Speaker, this government made a commitment and a guarantee to provide $6 million to the co-op housing program in 1992.

There are 164,000 Canadians on a waiting list for co-op housing. By eliminating the funding for co-op housing this government is abdicating its responsibility to those Canadians and, in fact, is causing 4,500 jobs to be lost in the construction industry.

My question is a very simple one. Will the minister honour the commitment to the co-op housing program for 1992. Can they keep one promise to this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the government will continue to support the 14,800 housing units that are in existence as a result of the co-op housing program and we will continue to support social housing to the tune of $2 billion a year.

When it comes to creating activity in the housing industry, the reduction in the CMHC down payment to 5 per cent and the RRSP initiative are clear initiatives that will support and stimulate housing in all parts of the country. I think the hon. member would welcome that.

Mr. Joe Fontana (London East): Mr. Speaker, the $6 million promised for 1992 was for the additional 1,800 badly needed units in this country.

The minister surely knows that the Co-op Housing Program is cost efficient and that the program is well targeted to those people who cannot own a home.

In Montreal, Toronto and other centres the Co-op Housing Program provides support for single parents, the disabled, seniors, and groups that cannot find affordable housing.

Will the minister reinstate the funds for 1992? Will he reinstate this program that helps Canadians with affordable housing?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member may want to reconsider his comment when he suggests that the housing provided for under the Co-op Housing Program is well targeted.

Truly 50 per cent of those who occupy housing provided under this program would not qualify under the social housing criteria. I ask him then: How is it that it is well targeted when 50 per cent of those who occupy these units are not in effect qualified under the provisions of social housing?

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Minister of Transport in light of his announcement this morning concerning Pearson airport.

The timing of the minister's announcement of the privatization of terminals 1 and 2 has to be questionable at best, given the recession, the problems in the Canadian airline industry, the far from certain commercial success of terminal 3, and the ongoing environmental review of runway expansion.

Why is the minister rejecting the advice of the private sector, provincial and municipal officials, as well perhaps as some of his own officials, in going ahead with privatization now?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, it is rather amusing that members on the other side have been saying for weeks and months that this government should spend money to create jobs. Now we come forward with a project that is going to create 3,200 jobs for five years in well paying industries in the Toronto area and this member is complaining again. I do not know what he is doing.

Mr. John Manley (Ottawa South): Mr. Speaker, we will be interested to hear his explanation of those numbers in another forum, but I would like to know now not only about his timing but also about the process that he has introduced today.

The minister proposes to turn over Canada's most profitable airport to private developers and he is giving interested parties only 90 days to submit comprehensive proposals which contemplate two different environmental review results.

How can the minister seriously expect Canadians to believe that within 90 days this process is open to all possibly interested parties and that this action will produce the best possible result for travellers and for Canadian taxpayers who have already put a lot of money into terminal 2?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, obviously a development of this kind is not to provide for the needs of today but the needs of tomorrow.

In 1988 these were the same people who were complaining that the government had not exercised enough foresight in not making more space available to accommodate the traffic that was increasing. It created congestion that no one wants to go through again.

We have studies that indicate that the traffic in the airline industry has been increasing by 4.5 per cent a year for the past 10 years. Our present forecast of 3 per cent a year for the next years indicates that we will lack capacity

in 1997–98 without the new runways. This is why we are proceeding at this time.

We indicated four years ago that we were going to transfer all airports in areas where people want it to local airport authorities. We are following the course that we implemented four years ago and it is working well.

* * *

[*Translation*]

BEAUDOIN–DOBBIE REPORT

Hon. Lucien Bouchard (Lac–Saint–Jean): Mr. Speaker, I wish to ask the Prime Minister a question.

What the Minister of National Defence said yesterday is that the Beaudoin–Dobbie report is unacceptable for Quebec.

• (1450)

He is not the only one to think so because right now members of the Quebec Liberal Party and the Parti Quebecois are voting unanimously on a motion which concludes that "the National Assembly disapproves of the Beaudoin–Dobbie committee report."

When will the Prime Minister stop pretending with the Leader of the Opposition, the leader of the Liberal Party of Canada, that something good can come of a report that English Canada considers too generous and Quebec considers not enough?

Right Hon. Brian Mulroney (Prime Minister): Perhaps it is the hon. member who should stop pretending. The Beaudoin–Dobbie report reflects the five conditions of the Meech Lake Accord, I repeat, the five conditions or proposals that he supported barely a year and a half ago.

Besides, the Beaudoin–Dobbie committee report contains a series of provisions, of new measures for the provinces, native people and institutional reform in Canada, including, for example, Senate reform. Mr. Dubuc, as well as Mr. Auger of the *Journal de Montréal*, think that these provisions are a very serious step forward for Quebec and the other provinces.

No one claimed that it was a final position. The House itself will be presented with the document and the House will decide in due course. But for someone, especially someone who already vigorously supported the five conditions of Meech, to now denounce a document as insufficient when it already contains much more than Meech is unprecedented hypocrisy in the House of Commons.

Hon. Lucien Bouchard (Lac–Saint–Jean): Mr. Speaker, whatever our allegiances, we will all agree that an essential element in this debate is truth and that if we had more respect for the truth, we would go further.

The one who most vigorously approved the Meech Lake Accord is one of its signers, Robert Bourassa. Today he says no to the Beaudoin–Dobbie committee report because it does not reflect the five conditions of Meech Lake.

When will we stop wasting time and money and frightening people in Quebec as in English Canada and when will this offer that is supposed to come finally be tabled?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that no one in Canada or in Quebec would believe that we have anything to learn from that member when it comes to truth and loyalty.

Some hon. members: Hear, hear.

Mr. Mulroney: He has become a legend and we will talk about it for decades to come. He will always be mentioned as a model of truthfulness and loyalty for generations to come, I am sure.

As for the document and the position that the Parliament of Canada is to take, in due time, of course, Quebecers will be called upon to decide their future. In 1980, they were presented with a question. Perhaps there will be another one in 1992, to be decided on with proper reflection, in an unbiased, objective, serene way. Quebecers will be presented with a basic question. And if you allow me to speak now just as a Quebecer, a guy from the North Shore, if the question is "Do you prefer a renewed Canada or an independent Quebec?", Quebecers will choose a renewed Canada ten times out of ten.

Some hon. members: Hear, hear.

[*English*]

NATIONAL REVENUE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the minister answering on behalf of the Minister of National Revenue.

Yesterday I gave the Minister of National Revenue a copy of the Reform Party mailout which explains how the political tax credit can be used to pay for insurance policies that benefit the Reform Party. At that time I asked the minister for an inquiry. I believe that the document, while it pretends to be a report of one person's generous gift to the Reform Party, is really a slick, sophisticated and sleazy step-by-step guide on how to abuse the tax system.

Will the government order an inquiry?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the Minister of National Revenue is in Newfoundland on government business today.

Upon the member presenting this to the minister, he immediately asked his deputy minister for taxation matters to review it. According to the evidence that has been presented so far, they find that this scheme the Reform Party has dreamed up does not qualify as a political tax credit.

It is perfectly legitimate for charities. It is perfectly legitimate for universities, hospitals, churches, for example, to do this type of thing, but for a political party it is not.

It is rather interesting that the Reform Party which advocates the abolition of political tax credits is using a method to raise funds that does not appear to be acceptable to Revenue Canada officials.

Mr. Rod Murphy (Churchill): I have a supplementary question, Mr. Speaker.

Just so that the minister is perfectly clear because many Canadians will want to know the answer, it is perfectly legal for individuals to give through their wills or through their insurance policies to universities, to political parties, to charities. It is the abuse of the political tax credit that is in question. Is that correct?

Hon. John McDermid (Minister of State (Finance and Privatization)): That is correct, Mr. Speaker.

As a matter of fact the way the scheme works, as I understand it, is that they are encouraging their members to take out life insurance policies naming the Reform Party as the beneficiary and claiming a tax credit on the premiums paid on that policy.

To our way of thinking it is highly unethical and on first blush, on investigation, we find it totally illegal within the tax system of Canada.

* * *

[*Translation*]

ESTIMATES FOR THE HOUSE OF COMMONS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the hon. member for Lachine—Lac-Saint-Louis, as the representative of the Board of Internal Economy of the House of Commons. During the past week the media have been discussing the Estimates for the House of Commons for 1992-93, as they apply to members of this House. Could the representative of the Board of Internal Economy confirm when I will be able to receive a copy of this document, which is being held back by Parliament?

[*English*]

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, near the end of the last fiscal year the House management committee called the Speaker and his administrators as witnesses in its review and approval of the estimates for the House of Commons. Copies of the estimates were made available to members of Parliament upon request.

But a copy of this year's report entitled *How the Budget is Spent—1992-93* has inadvertently or deliberately been released to the media prior to its being presented for review by the House management committee.

The matter of the unauthorized release of these estimates has been placed on the agenda of the Board of Internal Economy at its next meeting later this afternoon.

* * *

CHILDREN'S RIGHTS

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, in the absence of the minister responsible for children, my question is for the Prime Minister.

The Caledon Institute of Social Policy has revealed that since 1986 this government has snatched $3.5 billion from Canadian children by not fully indexing child benefits.

Meanwhile, last February 11 the Minister of Finance announced a new loophole for wealthy Canadians to avoid paying tax on their private trusts for another generation.

When will this government end its policies of depriving Canadian children to finance new loopholes for the richest Canadians?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I would like to repeat that the new approach taken to our social programs in the latest budget stresses this government's commitment to setting a priority on families and children. We can say that starting with this budget and this recommendation, families will have an additional $2 billion to spend in the next five years, which means $500 million for the current year.

• (1500)

[*English*]

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the new Tory ritual must be sacrificing children to the corporate gods.

The *Budget Papers* show that two-wage earner families with two children having a combined income of $30,000 will gratefully receive an extra $3.67 a month next year in child benefits. But, with inflation of just 3 per cent, this increase will vanish within the very next year.

I ask the minister if he will immediately move to index child benefits fully so that members on this side of the House will have one less thing to fix next year.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the measure we are proposing reflects the needs of Canadian children and was identified with the beneficiaries in the course of the usual consultations.

I maintain that the best way to protect the quality of our social programs is to keep inflation rates low and have a thriving economy, and that is what we are working on.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, the Prime Minister will know that his government's 12-page child benefit white paper dealing with close to $5 million of expenditure is the shortest white paper in parliamentary history. He also knows that this minister will be meeting behind closed doors with the provinces and that not one of the many dozen anti-poverty or children's rights groups has been contacted.

In the absence of the Minister of Health and Welfare, could the Prime Minister indicate how Canadians will be involved? Is this yet another public relations gimmick or is the government for once going to speak to Canadians seriously about the future of their children?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, we are not in the House for a public relations exercise. We are working very hard to improve the quality of life of Canadians, their families and their children.

* * *

[*English*]

MOTOR VEHICLE SAFETY ACT

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Transport and it is regarding proposed amendments to the Motor Vehicle Safety Act which currently provides two standards for safety in Canada: one for U.S. vehicles and a stiffer one for Canadian vehicles.

Will the new amendments remove section 902 which allows for this double standard and give the Canadian industry a level playing field?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, as my hon. friend knows, we will shortly be bringing forward some amendments to the Motor Vehicle Safety Act. The intention of this act, after it is adopted, is to consult the people on the new regulations. I am sure that through this consultation process we will be able to address the well intentioned concerns of the member.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 38 petitions.

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

* * *

BUSINESS OF THE HOUSE

Mr. Andre: Mr. Speaker, I would like to designate tomorrow an opposition day or allotted day.

* * *

HOUSE MANAGEMENT

27TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 27th report of the Standing Committee on House Management.

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

* * *

SOFTWOOD LUMBER INDUSTRY

SPECIAL DEBATE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I believe that you will find consent for the following motion:

That, notwithstanding any Standing Order of this House, on Wednesday, March 11, 1992 immediately after the final vote on ways and means Motion No. 11, the House shall proceed to a special debate on the situation now facing the softwood lumber industry;

That, for the sole purpose of this special debate the question before the House shall be that this House do now adjourn;

That, under the provisions of this order, no member shall be permitted to speak more than once;

That, the first three speakers be permitted to speak for 20 minutes and that all speeches thereafter be no longer than 10 minutes;

That, under the provisions of this order, the Speaker shall not entertain any dilatory or superseding motions or quorum calls; and

That, when no member rises to speak, but no later than 12 midnight, the Speaker shall adjourn the House until the next sitting day.

Mr. Dingwall: Mr. Speaker, there have been consultations with the various parties and we would concur with the motion.

Just to clarify, I am sure that the parliamentary secretary could indicate that the first speaker will be a Minister of the Crown representing the Government of Canada, followed by the Official Opposition and then the regular rotations.

Mr. Cooper: Mr. Speaker, I can confirm that our lead-off speaker will be the Minister of State for Forestry.

Mr. Blaikie: Mr. Speaker, I would just like to rise on behalf of the NDP caucus and give our consent to this motion and pay special tribute to the member for Prince George—Bulkley Valley who has been putting this issue before the House ever since we came back. This debate exists, in large part, due to his efforts.

[*Translation*]

Mr. Lapierre: Mr. Speaker, it is indeed a very important debate for us, since the Quebec softwood lumber industry is hit unjustly and for no reason. We agree with that motion, provided that a speaker from our group can express himself because in the last few days the situation has been very unfair. If there is not immediate agreement to allow us to have a speaker, namely the hon. member for Rosemont, we are not interested in simply giving an opportunity to others without being able to present a perspective from Quebec.

[*English*]

Mr. Dingwall: Mr. Speaker, I take the intervention of the hon. member quite seriously. I wish to indicate to him that the motion has been put with the best of intentions so that all members of this House will have an opportunity to debate a very important subject matter which affects certain regions more so than others. But to suggest that there ought to be preconditions before a

consent motion would be approved, I do not know if that is in the best interest of the House.

I wish to say, through you, Mr. Speaker, to the hon. member that we would be more than willing to try to co-operate with all members of this House to give everyone an opportunity to speak. If need be, perhaps certain provisions of the Standing Orders could be looked at in order to give greater opportunity to members who might want to speak for a shorter period of time rather than the 10 minutes which has been indicated in the consent motion.

I would hope that my hon. colleague will want to look at the motion, the spirit in which it has been given by the parties and he as a representative of a particular group, that we would have no difficulty whatsoever in trying to accommodate all members of this House.

Mr. Blaikie: Mr. Speaker, I do not think this should be a problem within the context of a debate that goes on all evening. There can be co-operation among all members of the House to ensure that all viewpoints are heard. I would certainly make that commitment to the member who raised the point.

Mr. Cooper: Mr. Speaker, I too would like to confirm that we were more than happy to accommodate the hon. member and that is the entire purpose of this debate. It is to give every member of this House an opportunity to participate in the debate if it is of interest to them and their constituents.

Mr. Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

Mr. Angus: On a point of order, Mr. Speaker. I am wondering, before we proceed to Government Orders, if you could seek the consent of the House to revert to tabling of reports from committees. One of the standing committees was not ready to table a report at the time you called it and we would like to get on with our press conference later this day.

Mr. Speaker: The hon. member has sought permission to revert to tabling of reports from committees.

Some hon. members: Agreed.

* * *

TRANSPORT

SECOND REPORT OF STANDING COMMITTEE

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, as a member of the Standing Committee on Transport, I have the honour to present the second report of the Standing Committee on Transport which deals with the issue of high-speed rail.

We are pleased that we have a unanimous report on this important transportation issue and we appreciate the co-operation and support of all members of the committee.

I believe that the committee's findings and recommendations will make a valuable contribution to the ongoing debate on the feasibility of high-speed rail service in Canada.

* * *

• (1510)

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

AUTHORIZATION FOR SUBCOMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have a motion here that will require the consent of the House for one of our committees to travel. I move:

> That notwithstanding the order made on February 6, 1992, the subcommittee on arms export of the Standing Committee on External Affairs and International Trade be authorized to travel to Victoria, Vancouver and Winnipeg from Monday, March 30 to Wednesday April 1, 1992, and to Halifax and Montreal from Monday, April 6 to Tuesday, April 7, 1992.

Mr. Speaker: The House has heard the parliamentary secretary. Is there agreement?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: There is not consent.

PETITIONS

STUDENT LOANS

Right Hon. John N. Turner (Vancouver Quadra): Mr. Speaker, I have the honour to table 90 petitions representing over 2,000 students at the University of British Columbia which is located, as you know, in my riding of Vancouver Quadra, a good many of them living, I am sure, in your own riding, Mr. Speaker.

It was bad enough when students were hit with the GST on their textbooks and the 3 per cent surcharge on student loans. The government has made matters worse with its plans to increase the burden of the cancelled 3 per cent surcharge by eliminating the interest-free repayment period.

On behalf of all of these students, I urge the government to reconsider its position.

[*Translation*]

ARTICLE XI OF GATT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, pursuant to Standing Order 36, I have the honour and the privilege to table petitions signed by hundreds of farmers from Glengarry—Prescott—Russell who, of course, ask the Canadian government to pursue the strengthening and preservation of article XI of the GATT. The petitioners certainly do not want the government from across to let this article be abolished in favour of tariffs.

Mr. Speaker, I am pleased, on behalf of all my colleagues, to support this petition from constituents of Glengarry—Prescott—Russell.

[*English*]

DOMESTIC WORKERS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have the privilege of submitting to the House 61 signatures of residents of Manitoba who petition and request that Parliament immediately ask the government to reinstate the foreign domestic program that was introduced back in 1981.

As you will well recognize, Mr. Speaker, the change in the regulations affecting domestic workers is both discriminatory and unfair and will seriously affect the child care system of this country. These 61 petitioners ask this Parliament to make their voice strongly heard to change that very unfair regulation.

BILL C-230

Hon. Lloyd Axworthy (Winnipeg South Centre): While I am on my feet, I have 951 signatures, primarily from residents of Manitoba, but also from other parts of Canada where the petitioners humbly pray Parliament to give priority support to Bill C-230, an act to amend the Criminal Code of Canada, which provides for the appointment of an independent counsel to report to the Minister of Justice in cases where the minister receives an application for mercy.

If I might just say, we are all very aware of the daily newscasts of the proceedings in the David Milgaard case, the Nepoose case and certainly the Marshall case previously in Nova Scotia. It is quite clear that we need to reform the system whereby individuals who have been wrongly treated or in which their sentences and trials have not been to the proper standards of judicial rightness can make an appeal and not put the Minister of Justice in a position of having to deal with that, but have an independent counsel.

I humbly submit on behalf of these petitioners that request.

RAILWAY LEVEL CROSSINGS

Mr. Bill Casey (Cumberland—Colchester): Pursuant to Standing Order 36, it is my honour and privilege to table a petition from the people of Stewiacke, Nova Scotia, where they have experienced a history of level crossing accidents in their community.

This petition urges increased safety standards at level crossings and also makes specific recommendations to the Railway Safety Act.

UKRAINE

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I have the pleasure of presenting a petition which, when it was circulated, had to do with the desire on the part of the petitioners that the Canadian government immediately recognize Ukraine following the referendum on December 1, 1991.

Of course that has been done, but I am sure the people who signed this petition would want to send a new message to the government, having to do with the need for continuing Canadian support for the new nation of Ukraine and the newly formed government there.

FAMILY VIOLENCE

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I also have a petition which is signed by many residents of my riding and which arose out of the murder of a young woman there by the name of Marilyn Jensen.

These petitioners are concerned that whereas bail review provisions in the Criminal Code of Canada currently set out grounds for the release of accused offenders unless it can be proved that individual is a danger to society at large or it is likely that the accused person will not reappear in court; and whereas the problem of conjugal and family violence is a matter of grave concern for all Canadians, these petitioners humbly pray and call upon Parliament to amend the Criminal Code of Canada to permit the courts to prevent the release of individuals where it is shown that there is a substantial likelihood of further conjugal or family violence being perpetrated.

GASOLINE PRICES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have the pleasure of introducing in the House a petition signed by constituents of Ottawa, Gloucester, Nepean, Kanata and also from the constituents of Manotick, Cornwall, Carlsbad Springs and so on.

These constituents are upset because they are paying high prices for gasoline when compared with those in the rest of the province.

JUSTICE

Mr. Sergio Marchi (York West): Mr. Speaker, I have the pleasure of submitting for the attention of the government and the House of Commons the signatures of hundreds of petitioners who are constituents of York West.

These petitioners are urging the government to revise and amend the Narcotics Control Act so that all assets and cash seized as a result of drug convictions do not go back, as they do now, to general revenues in Ottawa but instead become shared with local police forces and local organizations. They are on the leading edge of combating drugs on our behalf and on behalf of families who unfortunately have fallen victim to the drug malaise, particularly our young.

FOOD IRRADIATION

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a number of petitions from residents of western Ontario.

The petitioners call on the House of Commons and Parliament of Canada assembled, requesting that food irradiation not become part of the food processing business in this country until we have unbiased, independent agencies and scientists do complete studies on the safety of consuming such food. They ask that the effects of long-term consumption and environmental dangers involved be studied as well.

LOW-LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have 94 signatures on a petition from people who are concerned with the continuing and increasing low-level flights over Labrador.

The petitioners ask us to join with the Assembly of First Nations, the Innu of Labrador and other aboriginal peoples of northern Canada in opposing the use of their lands for NATO-NORAD attack training.

They also demand that the government end all NORAD-NATO low-level flight training in Canada and redirect the funding of it to aboriginal uses and to protecting the environment of Canada.

REFUGEES

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I also have 164 signatures on petitions from people in quite a number of municipalities in Ontario, British Columbia and other parts of Canada.

The petitioners are concerned for the situation of the spouses and children of people who have been accepted in Canada as refugee claimants. They ask that the minister issue minister's permits to bring the spouses and dependant children of refugee candidates here when these people have been permitted to apply for landing rather than delaying perhaps several years until the landing has been effected. They ask that these families be allowed to be reunited now in Canada.

• (1520)

JUSTICE

Mr. Ross Stevenson (Durham): Mr. Speaker, I have the honour of presenting three petitions from people in the constituency of Durham who request that the Parliament of Canada recognize that crimes of violence against the person are serious and abhorrent to society, and they ask the government to amend the Criminal Code, the

Bail Reform Act of 1972 and the Parole Act to reflect these societal attitudes.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I have here over 500 petitions on which there are well over 20,000 signatures. This is to add to the over 250,000 signatures that I have already presented to the Clerk of the House and the thousands that have been presented by other members in the House of Commons.

These petitioners feel that there are serious deficiencies in the criminal justice system in Canada. They ask that Parliament recognize that crimes of violence against the person are serious and abhorrent to society and they ask the government to amend the Criminal Code of Canada, the Bail Reform Act of 1972 and further amend the Parole Act.

HOUSING

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have the honour to present a petition signed by numerous Canadians, including many who are resident in my own housing co-op of Sundance in Edmonton and many residents of a neighbouring co-op, the Art Space Co-op.

This petition was circulated before the budget and it calls on the House to recognize housing as a shared provincial-federal responsibility and to support the federal non-profit co-operative housing program and to maintain the Canada Mortgage and Housing Corporation.

I do hope the government takes the words of this petition to heart.

RURAL POST OFFICES

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, this government continues to systematically ravage rural Canada. One of the ways of doing that is with respect to rural post offices. The citizens of the community of Drake in Saskatchewan are very concerned about the future of the post office there. It is a very poorly kept secret that their post office is going to close imminently.

The petitioners call on this government to ensure that the Drake post office remains open and that in fact all rural post offices remain open. They want a place for their children to live and grow up in the future instead of ghost towns.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, it is also my pleasure to introduce a petition signed by several hundred of my constituents. These constituents are fighting back. They are fighting back to keep their post office and the postal service in Dysart, Saskatchewan. The petitioners are not just from Dysart but many of them are from communities such as Lipton, Fort Qu'Appelle, Lebret and many from Regina and other communities.

I should hope that the government will take heed of these petitioners and that they leave the postal service in Dysart the way it is.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 177 and 209.

[*Text*]

Question No. 177—**Mr. Young (Acadie—Bathurst):**

With respect to the Public Service, at March 31 of the year prior to the establishment of the Senior Management (SM) group, (*a*) what was the number of executive level positions (EX or SX) (*b*) deputy minister (DM) positions?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I am informed by the Privy Council Office and the Treasury Board of Canada as follows:

(a) At March 31, 1981, the year prior to the establishment of the Senior Management (SM) Group, there were 1,272 SXs (conversion to EX did not begin until April of 1981).

(b) The number of Deputy Ministers (DM) as of March 31, 1981 was 98.

Question No. 209—**Mr. Casey:**

In the preparation of the bill to amend the Motor Vehicle Safety Act, is the government considering a requirement whereby importers would be required by regulation to demonstrate that a used vehicle has been converted to Canadian standards before a registration permit can be issued and the vehicle registered in a province?

Hon. Jean Corbeil (Minister of Transport): Yes, consideration is being given to establishing authority under the Motor Vehicle Safety Act for regulations that would require importers to certify that used vehicles have been converted to meet all Canadian safety standards. The actual registration of a vehicle is wholly a provincial government responsibility.

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 175 could be made an order for return, this return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Question No. 175 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 175—**Mr. Young (Acadie—Bathurst):**

With respect to the Public Service (*a*) in what year was the Senior Management (SM) group created (*b*) what was the number of senior SM personnel, by department, at March 31 of that year (*c*) at that same year end what was the number of (i) Executive level positions (EX) (ii) Deputy Minister (DM) positions?

Return tabled.

[*English*]

Mr. Cooper: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall the remaining questions stand?

Some hon. members: Agreed.

[*Translation*]

Mrs. Venne: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. DeBlois): The hon. member for Saint-Hubert on a point of order.

Mrs. Venne: Mr. Speaker, I would like to know if you have asked that my notice of motion for the production of papers be reserved at the same time? Was that the issue a few moments ago?

The Acting Speaker (Mr. DeBlois): Indeed, we are now dealing with notices of motion for production of papers, as the hon. member for Saint-Hubert rightly pointed out.

The hon. parliamentary secretary.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, would you be so kind as to call Motion for the Production of Papers No. P-10, in the name of the hon. member for Ottawa West.

[*Text*]

P-10—**Mrs. Catterall:**

That an Order of the House do issue for copies of all studies, reports or other analysis of the financial implications of possible changes to the pension plans of the Public Service, Armed Services, Royal Canadian Mounted Police and of the changing demographics of the Public Service.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, on December 12, 1991, the government gave notice to table an act to amend certain acts in relation to pensions and to enact the Special Retirement Arrangements Act and the Pension Benefits Division Act. This pension bill (Bill C-55) was tabled in the House of Commons on February 14, 1992. Among other things, the bill addresses some long-standing fairness issues such as the division of pension credits on marriage breakdown, pension coverage for part-time employees and an early retirement program for Correctional Service officers. The financial implications of this bill will be made available during the legislative process.

The President of the Treasury Board has indicated that the government will review the fundamental elements of the federal public sector pension plans, such as the rate of return to be credited to the pension funds, future inflation protection arrangements and plan management. As part of that review, the financial and other

implications of possible changes to the various pension plans would be assessed with all stakeholders.

The estimated costs of the existing plans and the demographics of their membership are contained in the actuarial valuations of the plans which are publicly available in the Library of Parliament.

I therefore ask the hon. member to withdraw her motion.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Since the hon. member for Ottawa West is not here, is the House willing to transfer this motion for debate?

Some hon. members: Agreed.

Transferred for debate.

The Acting Speaker (Mr. DeBlois): The hon. member for Saint-Hubert on a point of order.

Mrs. Venne: Mr. Speaker, I would like to ask the representative from the government when he intends to present the documents referred to in my motion P-13 concerning research contracts for the Royal Commission on New Reproductive Technologies?

I made this request and I would like to get an answer from the government as to when it intends to present these documents, or does it simply refuse to provide them?

[*English*]

Mr. Cooper: No, Mr. Speaker, we are not refusing to bring them forward. We will answer it soon.

[*Translation*]

Mrs. Venne: Mr. Speaker, I would really like to know what "soon" means. I have come to realize that when the word "soon" is used in this House, that may mean that it will take a long time.

The Acting Speaker (Mr. DeBlois): I believe the hon. member has made her message clear. We can now proceed with the order of business.

Mr. Tremblay (Rosemont): Mr. Speaker, I would like to remind the Chair that in the first three days of debate on the budget, 41 main speakers have spoken, but no member of our group has yet been recognized. It seems clear to me that such a practice is both discriminatory and unacceptable. Mr. Speaker, I want to make sure that you will recognize—

The Acting Speaker (Mr. DeBlois): I would ask the hon. member to be careful when he says that the Chair has acted in a discriminatory and unfair manner. I take note of the interest shown by the member and the Speaker will endeavour, throughout the afternoon, to recognize in a fair manner all those who want to participate in this debate.

• (1530)

Mrs. Marleau: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The hon. member for Sudbury on a point of order.

Mrs. Marleau: Mr. Speaker, I would like to remind the hon. members on my left, here in the back, that we have been debating the budget for three days already and only now does one of them rise to speak on the issue. If you wait that long to speak—

An hon. member: He was not here!

Mrs. Marleau: —and if you are not here, you miss your turn.

Mr. Gérin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): On the same point of order, the hon. member for Mégantic—Compton—Stanstead.

Mr. Gérin: Mr. Speaker, first of all, I want to correct the record. We were here all along. In fact, notice has been given that the finance critic for the Bloc Quebecois wanted to speak. The problem is, and that is the point I wanted to make—incidentally we are not "members in the back", but full-fledged members of this House, actually elected with the same powers, duties and obligations as all other members.

Mr. Speaker, with all due recognition of the Chair's goodwill, though the Chair is different every day, there is a problem here. The list of speakers changes daily, the Bloc Quebecois having its turn every 13 or 14 speakers. That it is a bit late, because by then the day is over. The next day, there is a different Speaker or Acting Speaker in the Chair and we start all over again. Certainly this is done in good faith. I move that the hon. member for Rosemont be now heard.

The Acting Speaker (Mr. DeBlois): The Chair has taken good note of the comments made by the members

representing the Bloc Quebecois and, as usual, will try to be fair. Now, let us proceed with the orders of the day.

Mr. Tremblay (Rosemont): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Rosemont.

Mr. Tremblay (Rosemont): Mr. Speaker, before anything else, I would ask the member for Sudbury to withdraw her statement. The Chair can testify that, at the beginning of every sitting dealing with the budget, I have approached the Chair to request permission to speak. Each time, my request has met an answer along the same line as this one. I want the member to withdraw her allegation to the effect that we were absent, since I did ask to speak.

I want to have the assurance that our right to speak—

The Acting Speaker (Mr. DeBlois): I do not think that a retraction is necessary. Our Standing Orders are quite clear. We have no business indicating whether a member of this House is absent or present. I call upon the co-operation of all hon. members on this point. That being said, the orders of the day have not been called yet, and I can recognize no one until they have. Orders of the day.

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

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: No, Mr. Speaker, I have a motion. I move that the hon. member for Rosemont be now heard.

The Acting Speaker (Mr. DeBlois): I should not have to remind an outstanding lawyer like the hon. member for Mégantic—Compton—Stanstead that, until such time as the Orders of the Day have been read by the Clerk, they are deemed not to be before the House. Orders of the Day.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, March 10, consideration of the motion of Mr. Mazankowski that this House approves in general the budgetary policy of the government.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, at a time when Canadians across this country are yearning for a new spirit of co-operation and unity within Canada, this Conservative budget unfortunately divides and discriminates. It discriminates against the most vulnerable people in our society.

I would like to say that the impact of this budget on the people in my riding of Vancouver East and other ridings like it where there are many people unemployed and on low incomes is particularly devastating.

There is no job creation for the millions of unemployed Canadians and job development funds are cut by another $100 million in this budget.

There is no help for farmers, fishermen and forestry workers whose work is the backbone of this country.

The recession, we know and it is predicted, will continue with less research or retraining programs to help people who are the victims of restructuring in industries.

Last week I attended Vancouver Tech High School in my riding. The students asked me particularly to raise the matter that they are very concerned that student loans have been cut and they will not be able to continue on into post-secondary education.

Women have been slapped down once again and betrayed as pay equity is denied them, pay equity which is owing to women public servants who have been underpaid over the years. This was, of course, required by the courts and yet the government is refusing to pay this debt to women.

Funds for litigation of equality cases are terminated as well.

The federal co-operative housing program also is being terminated. This is one of the most important and successful means of developing decent affordable housing for low income people, but also for a mixed income range of people in healthy communities.

As a British Columbian I want to particularly mention to the government that the termination of co-op housing and social housing programs have been strongly condemned by Premier Mike Harcourt of British Columbia and by the mayor and city council of Vancouver.

We know that this program and also native housing programs are particularly important and essential to homeless people and to develop affordable housing for families, particularly in communities like Vancouver East where we have had a lot of good co-op housing developments.

The Conservative budget also pits families with middle incomes, the middle class if you like, against low income people.

The budget does away with family allowances, which have been a right to families in former years and replaces this with the child tax credit, which is very limited and unfair. This credit is targeted presumably to low income people, but we learn that it is only for working people, not for people on welfare.

The de-indexing of the child tax credit we learn also means that over the period of the next few years the value of the tax credit will decrease, and this means in effect that families will get less than they receive now. So any way you look at it this is an unsound public policy.

The credit is supposed to be an incentive for parents to move off welfare and into the work place, but where are the jobs for these people who are unemployed? Where is the training for people who have been locked into welfare, to get into the work force? And how can single mothers hope to work when the government has done nothing about helping to develop child care programs across this country? They also have capped the CAP for three provinces.

So this child tax credit which presumably is to help solve the problems of child poverty are typical Tory hypocrisy. Are poor kids on welfare less deserving than the children of working parents, I ask you?

The government gives lip service to the elimination of child poverty. However, I want to say that one in four of the children in Vancouver who are poor, and 60 per cent of these attend inner city schools in my riding, will not get help from this budget.

Federal cuts in transfer payments for health, education and social services also eliminate future opportunities for these families to break this poverty cycle.

If this government wants Canadians to feel better about Canada and about Conservatives, then this budget had better be scrapped right now.

As NDP spokesperson for multiculturalism and citizenship, I want to strongly protest the budget measures that are designed to stifle advocacy and advice, that terminate advisory groups to the government, that kills the Court Challenges Program, and that once again betrays Canadians of Japanese origin who were promised a race relations foundation as part of their redress settlement.

• (1540)

Ethnic communities were also promised a heritage language institute to partially compensate for the cuts that this government made to community language programs. They have also been betrayed since the implementation of the new Race Relations Institute which we passed in this house will also be indefinitely postponed.

I want to concentrate my remaining time on the question of the termination of the Court Challenges Program and the Race Relations Foundation. These two decisions show that this government has no real commitment to social justice and to human rights.

When times get tough the government chops the programs that are vital to implementing the goals of our charter. It makes a mockery of the present constitutional negotiations when the government can so readily ignore human rights and protections for minorities which should be defended under our Charter.

I have raised the question of our very serious concern about the termination of the Court Challenges Program on two occasions in this House. On February 27, the minister for multiculturalism replied to me: "There is now a solid base of jurisprudence and the remaining finer points are those of provincial jurisdiction." The

federal government is not doing its job. It is going to presume to pass it along to the provinces.

This is not the opinion of the former justice of the Supreme Court, Bertha Wilson, an outstanding judge, who said the following in a recent letter to the Minister of Justice:

> —it is totally illusory to confer rights on people who do not have the means to enforce them and I assumed that the expansion of the Court Challenges Program following the advent of the Charter of Rights and Freedoms was an effort to address this problem.
>
> I saw for myself when I was a member of the Supreme Court how invaluable this program has been to minority groups and to the disadvantaged. It has clearly been well and efficiently administered and has resulted in an excellent input into many very significant "test" cases—the public has unquestionably received full value for its money on this particular program—may I respectfully add my voice to what I am sure is a chorus of disapproval of the cancellation of this very imaginative and worth-while program.

This is from Bertha Wilson, an outstanding former judge of the Supreme Court.

The Race Relations Foundation was a commitment by this government, as I said earlier, to the redress settlement for the Japanese-Canadian community. Art Miki, president of the National Association of Japanese Canadians says the following:

> Racism is a major concern for many Canadians, especially those from minority groups who are often the victims. There is a grave need for the foundation to facilitate the development, sharing and application of knowledge and expertise in order to achieve the elimination of racism and racial discrimination in Canada. This delay will have serious consequences in our efforts to fight racism.
>
> It is in these periods that racism becomes more prominent in our society.

He goes on again to appeal to the government to retain its promise and to implement the Race Relations Foundation.

In conclusion, I would like to say that this government's budget policies seem to be trying to out-reform the Reform Party, hoping perhaps to gain votes. A government which attacks the poorest people in society, which refuses to protect the rights of minorities and women, which reneges on its stated priority to fight racism and which continues to work only for the wealthy and privileged is not going to regain the respect and support of Canadians. It will be defeated and soon, we hope.

[*Translation*]

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I welcome this opportunity to take part in the budget debate today. I would like to start by congratulating my colleague, the Minister of Finance, on his firm and clear emphasis in this, his first budget, on reducing the deficit, strengthening Canada's economy and building toward increased prosperity for all Canadians.

This budget reflects the ongoing commitment of a fiscally responsible government to an increasingly competitive Canadian industry within a global economy and a spirit of equity in all sectors of our society.

A number of government initiatives are aimed at expenditure reduction and enhancing competitiveness and prosperity. As Minister of Transport, I am proud to play a role in this respect.

As you know, the Minister of Finance announced a 3 per cent reduction in non-wage operating budgets for 1992-93. Transport Canada and the agencies for which I am responsible will contribute about $14 million, with $9 million directly from Transport Canada, $3.2 million from VIA and $1.6 from Marine Atlantic.

I am glad to say that VIA and Marine Atlantic will continue to reduce their dependence on federal subsidies.

[*English*]

I might note that reduced revenues from sources such as the air ticket tax in 1992-93, over $100 million, will result in an additional cut in departmental spending beyond the 3 per cent over-all cut.

In order to deal with this revenue shortfall, a combination of measures will be required to reduce or defer costs. As the economy improves, additional revenue will reduce the department's over-all requirement for government funds and permit more capital investment.

To streamline government, some 46 new government agencies, boards, commissions, corporations and advisory bodies will be eliminated, consolidated, deferred or privatized.

In Transport Canada, the ministerial task force on international air policy, the Marine Advisory Board on Research and Development and CN West Indies have been terminated.

Transport Canada will generate savings to management improvements and enhance the government and industry co-operation at the Motor Vehicle Test Centre at Blainville, Quebec. The government will be examining the feasibility of privatizing the centre.

As part of the rationalization of government assets, the government also will be speeding up the pace of surplus property disposal including surplus lands held by Transport Canada at Pickering, Ontario.

[*Translation*]

Mr. Speaker, transportation has a very important role to play in Canada's economic recovery. In fact, transportation is what helped build this great country of ours.

Railroads extend from coast to coast. Ships maintain our links with Europe and the countries of the Pacific Rim. Airports move people and goods quickly and efficiently.

As Canadians, we must carefully review our investment in this vital infrastructure.

The Government of Canada is working closely with provincial and territorial governments on ways to meet this very basic challenge.

At the last First Ministers meeting, a number of governments emphasized the importance of having an infrastructure in keeping with our need to be competitive.

As far as our national road network is concerned, a federal-provincial-territorial process has already begun. Transport ministers will be meeting in the fall to discuss various options for financing the improvements needed to bring the network up to contemporary standards. In its 1992 budget, the federal government indicated that we are prepared to work with the provinces on exploring ways to improve our national road network in a way that is financially responsible.

The dialogue on renewing transportation infrastructure in general is already well under way with the provinces. I am confident that our discussions will be useful and help us identify appropriate methods of funding, given the present financial environment; in that way, we might have the monetary resources required for the highway infrastructure that is essential to our country's economic prosperity.

Mr. Speaker, our government is actively committed to establishing a fixed link between New Brunswick and Prince Edward Island, with private funding.

Transport Canada also works very closely with the private sector to develop airport facilities while reducing government spending.

At Pearson International Airport, the development and funding of terminal 3 by the private sector are an example of successful co-operation between the private and public sectors.

• (1550)

This very morning, Mr. Speaker, we launched an official request for proposals process, asking the private sector to finance the upgrading of Terminals 1 and 2 and to manage them under a lease.

We are also looking into the possibility of increasing the capacity of Vancouver International Airport, as part of a transfer of this airport to a local airport authority. The transfer agreement includes provisions concerning airside and landside expansions through a private source of funding.

In the coming days, we will proceed with the transfer of Dorval and Mirabel airports in Montreal and the Vancouver, Calgary and Edmonton airports to local airport authorities. Other cities such as Moncton, Quebec, Windsor, Thunder Bay, Winnipeg and Kamloops are also being carefully considered for similar transfers.

As the Minister of Finance said, Canadians know that sound social and economic policies must be complementary.

In this regard, the budget provides several important measures to help disabled Canadians. These measures are part of a national strategy officially launched last September by the Prime Minister, the Right Hon. Brian Mulroney, which provides $158 million to integrate the disabled.

This is a field which interests me greatly. An advisory committee on accessible transportation, representing several organizations of the disabled, is working within my department to advise me specifically on this very important area. Last fall, I was pleased to announce to that committee that Transport Canada, through the government's national strategy, would provide $24.6

million to the transport industry in order to improve accessibility for travellers.

Our involvement in this national strategy will encourage the industry to design and use material that will promote accessibility to transports. The commitment made by Transport Canada will complement the existing initiatives regarding accessibility and will give concrete results that handicapped people will benefit from.

Mr. Speaker, there is no doubt that this budget is a responsible one, both from a social and financial perspective. The direction that we have taken is clearly a road toward economic recovery. Canadians can expect an enhanced competitiveness as well as growing prosperity. In spite of what some might say, we are on the road to unity and, together, we will recognize the benefits of a united Canada through co-operation, as well as the sum of all its parts. Prosperity is clearly the result of a concerted effort, not of some irresponsible action to divide the country.

It is together that we will be able to meet all the challenges of the future, and I urge all Canadiens to be united.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened attentively to the minister's remarks and I share some of his sentiments toward the Minister of Finance's first budget. I have the highest respect for him.

However, I have concern about the minister's department, transportation, and the effect this budget will have on it.

I want to be very specific. For me the Department of Transport has always been a great anchor for the Canadian presence in every region of our country. The airports and marine ports, all of those instruments which come under the responsibility of this minister, have always been instruments that the national government was able to use to promote tourism and welcome people here from all over the world. Now we are in the process of privatizing these instruments.

I refer specifically to the example the minister used in his remarks, terminals 1 and 2. For the life of me, I cannot understand why we are privatizing terminals 1 and 2 when we just finished spending $140 million of taxpayers' money on them. The market is depressed. I do not know how much money we are going to get for terminals 1 and 2. Terminal 3 right now, according to the owners, is a tremendous financial burden for them. It is not working out, there are law suits all over the place. But I do not want to get into the privatization aspect of this. We can debate it another day.

I need to ask the minister a very specific question. Does he not think that as we dismantle the Canadian presence in every part of this country that it is going to make it much more difficult to sell the idea of Canada as a whole, when all of those federal presence instruments are being ripped away from us or sold? Does he not think it is going to make his job as a federalist to sell Canada more difficult?

Mr. Corbeil: Mr. Speaker, I would like to congratulate the hon. member for his concern about the unity of this country and the job that we all share as members of this House and also as Canadians to assure that this country remains united. We have accomplished a lot over the last 125 years despite our diversity and our weaknesses in some respects and our strengths in other respects.

I think that Transport Canada, through its various institutions and facilities, has greatly contributed to the achievements that we have attained over the past 125 years.

I believe we are still very much involved in maintaining this very valuable relationship between all regions of Canada through the facilities of Transport Canada. However, at the same time, we have to face up to the reality that we have accumulated a very high national debt over the years and that we are living through a very difficult period where we are wrestling to reduce the enormous annual deficit. Because Canadians have indicated in many areas that they are not prepared to accept any more taxes, that they have reached their limit, we therefore have to find ways and methods of doing what we have to do with less financial resources.

Therefore, we have to be more inventive, more innovative. This is what we have been doing over the past few years. For instance, this idea of leasing the airports to local airport authorities is one way we can maintain our presence. Transport Canada is not going to abandon the airports, it will retain its responsibility for safety and security and will therefore maintain a very strong presence. But at the same time we will leave to the

commercial enterprises what they do best, which is operating the commercial aspect of the airport.

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I too want to pay tribute to the Minister of Finance on his first budget, not only because it is a budget which he gave in eminently fine style and content but also because he is the first westerner to present a budget to this House in almost living memory, as far as I can trace it back. In recent memory he is the first westerner to present a budget. I am proud to be associated with him and to say that he has done westerners proud in presenting it.

As I reflect on budget night, I would draw members' attention to the reality of the experience. It is a bit of theatre, a bit of a show outside the Chamber. We have scrum upon scrum, where television personalities and interviewers are interviewing all the interest groups that come to Ottawa on the evening when the budget is presented.

It seems as though our narcissistic society reads the budget, almost exclusively, almost entirely in the context of their own immediate sphere of self-interest.

• (1600)

If fishermen are not specifically mentioned in the budget then there is nothing in it for fishermen, even though the benefits of previous budgets are still continuing on to this day. If there is not something in it for this day, then there is nothing in it for fishermen. If it is not quite to the expectations of the business community, if the tax cuts are not quite as big or quite as broad as they would like, then it is not a good budget and it has to be roundly condemned. If labour sees it as not having enough input in the responses, then it is not a good budget and it is rejected holus bolus.

It is a bit of a tragedy that we are treated on that night with an instantaneous appraisal of a very complex document and it is supposed to be accepted or rejected on the spur of the moment on the basis of a person's own self-interest.

I recall watching it that evening. They are walking down the corridor to meet another businessman whose name I think all members here would recognize if I mentioned it. He is in an industry that is under a great deal of competitive pressure and is a very heavily taxed industry. As I say, people would recognize his name if I mentioned it.

So I said to him: "What do you think of the budget tonight?" Immediately he said: "Well, it is doing nothing for me but it is good for Canada". You can imagine my pleasure, the tonic it was for me, to have one businessman who could have justifiably looked for some kind of relief in this budget for his particular industry, yet he said it did nothing for him but it was good for Canada. Surely we can use a lot more of that in our country.

So I say this is refreshing. It is refreshing because he saw that this budget contained a reaffirmation of the values that have made Canada the great country that it is today, some very important values. First of all, let me quote from a report. Since most members would not want me to quote from a government document, I presume, I will quote Deloitte & Touche. There is a reaffirmation of values and it has to do with minimum intrusiveness. Listen to what the commentary says:

> Resisting the entreaties of the provinces and special interest groups for quick-fix spending to jolt the economy out of its lethargy, finance minister Donald Mazankowski has repeated the message of his predecessor, restrain costs, cut the deficit and some day soon a reduction in the government debt will be the result.

He goes on to say:

> Sound policies for times of economic uncertainties is one way of briefly describing finance minister Mazankowski's maiden budget speech. After last year's tough-minded budget with its extension of expenditure control to five years, tax increases and wage freezes, this year's speech seems like a relatively cheery affair. In essence though, it hides a frugal government's spending program behind fiscal goodies which sound expansive but which will not over-stimulate the economy.

The key sentence is this.

> Full marks to the minister for a politically astute budget with minimum intrusive effects on the economy.

All of us know that whenever a budget is brought down, you cannot avoid intrusiveness in the economy. The trick is to bring down a budget that minimizes that intrusiveness. That is something which I think the business community values and is very important.

The second value that is important is it is a budget to enhance competitiveness in our economy. Taxes are meant to increase revenue for the government to carry on its programs. That is the their purpose. I think that is a fairly accurate truism. But if the taxes become too high, they become a disincentive to business and the very purpose of those taxes is frustrated because the more taxes imposed on people, the more it creates a disincen-

tive to function. Rather than increase the revenues it tends to decrease the revenues and makes businesses uncompetitive.

By reducing taxes, by improving the capital cost allowances to industry, by improving the benefits to industry if it carries on R and D and by reducing the surtax, the budget is increasing the competitiveness of the business community. Already we have heard the business community across Canada give approval to that. There is increased competitiveness and that is a value for Canadian society.

Third, there was an increase in consultation. It has been a pattern with our ministers of finance to carry on consultations across Canada with all interest groups that would be affected by a budget. Historically the Minister of Finance or his officials meet with one particular group. Whether it is a manufacturing sector, the agricultural sector, the labour sector or the social housing sector, they meet with them independently of each other and hear what their views are. This time they added a new process and put numbers of these together in a room. When one interest group was asking for one provision, it was balanced off with another interest group in the same room saying: "Wait a minute, guess what you will do to me if we introduce that provision".

There was not only an increase in the amount of consultation but an increase in the intensity of that consultation. It was a pre-budget consultation. It was a face-to-face consultation. It pitted one interest group against the other so that we would reduce it to what it ought to be. It was very important.

These are the values largely on the business side. Then there are those which are on the social side. We have heard it said many times that the purpose of a good economy is to spread the benefits to those who may have less advantage.

I would like to focus on the fact that this budget re-establishes and focuses on the integrity of the family unit. Already I have received mail from people who have said: "I am glad this Minister of Finance has recognized, for example, that previous budgets have been prejudiced against the traditional family unit".

Mr. Karygiannis: How many? One, two?

Mr. Friesen: I have received some. The public is slow in responding but it is responding. It is encouraging when people write and say: "You are recognizing the strong historic values and the place of the family in our society". This budget does that in addition to the fact that we carry on the child care programs.

Finally I want to mention that the next step is that provinces are now going to bring in their budgets. While there is slack which our Minister of Finance has introduced into the tax regime, such slack as reducing the surtax, I would urge or I would challenge provincial governments not to take up that slack and impose that extra tax by way of the provincial treasuries. I challenge my own province of British Columbia which is bringing down its budget in about two weeks' time to resist that temptation. Whereas the Minister of Finance here has relieved the tax burden on businesses and individuals, I urge the provincial Minister of Finance not to pick up that slack and impose from the provincial side a tax burden on our people.

I compliment the Minister of Finance on a budget that has been well received across Canada. I know it will be a stimulus to our economy and our people.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I could not help but listen to the member give us a great big speech about how he admires the budget that was brought down by the minister. I, on the other hand, did not see anything good about the budget.

I received hundreds of letters from my constituents. I received just as many telephones calls from my constituents. They are asking for one thing: get some sense back into the budget and, if not, why doesn't this government not resign or why doesn't it call an election?

One thing the hon. member did not talk about is something that is very sensitive to me as a member of Parliament from Toronto. I am referring to what was in the paper today: "Ottawa seeks private tenders on two Pearson terminals". We have seen what this government did when it came to power in 1984. It took CN Express which was losing money. Then it gave it away and privatized it. It was sold for $29 million. What did the people who inherited this white elephant do? They went

to the bank and they said: "Mr. Banker, we want to borrow some money". The bank looked it over and said: "Don't worry about it. We are going to give you close to $200 million on the land and on the assets of the company".

• (1610)

What was the end result? These people who took over this institution which was in existence since 1930 drove it into bankruptcy. Hundreds of employees, some 3,700 employees, were let go. Their pension funds were dealt in and we saw charges by the RCMP.

I am questioning whether this will be the same situation. It states that 3,200 jobs would be created. Now I am questioning myself on how the privatization of two terminals would create 3,200 jobs. The real answer is that it is not going to create 3,200 jobs. The other thing is—

An hon. member: Oh, oh.

Mr. Karygiannis: I have five minutes, five minutes for questions and comments.

The Acting Speaker (Mr. DeBlois): Yes, but if you want an answer you will have to conclude your question.

Mr. Karygiannis: I will put my question. After Canadian taxpayers spent millions of dollars on renovations to terminal 1 and terminal 2, doesn't the member across the way agree with me that they are going to give the two terminals away to some consortium only to benefit themselves? They are going to give these two terminals away to some consortium that supported the Conservatives during their first and second election bids.

Mr. Friesen: Mr. Speaker, in answer to your question to the member, no, he does not want an answer. He wants to make a speech. That is all right. I do not mind that.

The first part of his question dealt with the budget and spoke to the fact that I was so enthusiastic about it. I simply point out to him that I was talking to one of his own colleagues a day or two later. I met him in one of the buildings here. It was during Question Period and I said: "Listen, aren't you going to go down there and harangue the Minister of Finance on his budget?" He said: "No, I am not going to do that. That was a good budget". That was one of his own colleagues so he had better confer with his colleagues and maybe get a second opinion about the budget.

The second part was about the airport. He asked: "Are you going to privatize this and let individual people benefit from it?" Tell me, what is the market system all about? Is it a crime to make a profit? Is this the new philosophy of the Liberal Party, that if it is government owned people will not benefit, but if it is privately owned people will benefit? It seems to me that the beauty of the market system in North America is that everybody benefits if the market system works properly. Why would the member be against that?

Mr. Jack Iyerak Anawak (Nunatsiaq):

[*Editor's Note: Member spoke in Inuktitut*]

[*English*]

Mr. Speaker, I am pleased to have this opportunity to speak in today's budget debate. The February 25 budget was really a "do–little" budget. After several years of big budget takes from taxpayers, the government's most recent budget gives a little but only a little. What it gives is so small the impact will be negligible, especially in my own constituency.

The budget provides some small assistance to mining companies, but the measures will, according to the Yukon Chamber of Mines, only benefit existing mines. There is no major boost to stimulate the exploration which is really needed in the north. Since the Canadian Exploration Incentive Program was cancelled by this current government in February 1990, mining exploration levels in the north have dropped substantially. The high Canadian dollar has also affected exploration levels.

In 1988, when the flow–through share incentive was in place, about $50 million in exploration was done in Yukon. Last year only $16 million was spent. This year the Chamber of Mines expects to see only about $5 million or $6 million spent in exploration.

In the Northwest Territories the outlook is similar. Small exploration companies could have used a break. For small business at least there are no tax increases.

There is a small increase in a lending program for small business, but it is really nothing significant. In the Northwest Territories there were 13 more bankruptcies in 1991 than there were in 1990. Now, 13 may not seem

like a lot, but in the Northwest Territories one has to understand that there are not as many businesses as there would be down here.

Throughout Canada, and particularly in northern Canada, we were looking for a major commitment to infrastructure and we did not get it. In fact the federal Minister of Northern Affairs in media interviews following the release of the budget ruled out a major commitment to northern infrastructure because it would be too expensive. He said high costs in the north make it hard for the federal government to justify spending big amounts of money on northern transportation. That attitude merely demonstrates the shortsightedness of this current federal government.

Without the necessary basic infrastructure, the economies of the territories do not have a chance of becoming self-sufficient.

To paraphrase a former Conservative finance minister, the short-term pain of investing now in the north would bring long-term gain to all of Canada. High costs are a fact of life in northern Canada. The federal government must be prepared to deal with these costs so that northern Canada can be dealt into the Canadian economy as a contributing partner. The longer the federal government waits, the higher the infrastructure costs will become.

The north's infrastructure needs are not going to go away. They will only increase with time. By taking action now this government could reduce future costs.

I hope the government is not waiting for a northern megaproject in the belief that private enterprise will do what the government is not prepared to do for northerners. The north does not want a megaproject economy. It does not want a boom and bust economy. The north wants a community based, diversified economy, but it is getting no help from this federal government.

I hope the government is not waiting for the settlement of the TFN land claim in the hope that the settlement moneys will be used to address some of the needs it is currently ignoring. The land claim settlement is an obligation to Inuit over and above what the regular federal obligations are to all northerners.

When the leader of the Government of the Northwest Territories spoke at the First Ministers' conference on the economy last month, she pointed out that the employment rate in the Northwest Territories has dropped by 3 per cent since 1989. Spending in the NWT has fallen 15 per cent since 1989. She pointed out that a federal commitment to the north infrastructure would mean not only more jobs for northerners but jobs for people in southern Canada as well.

A Conference Board of Canada study has estimated that for every job created in the north another 1.7 jobs are created elsewhere to support it.

All Canadians would benefit from increased federal investment in the north.

Members of the government would have us believe there is a significant tax cut in this budget. That is hardly the case. First of all, the cut is to the federal surtax which is a tax the Conservative government imposed on top of the basic federal income tax. Basic federal income taxes are not cut in this budget. The surtax will be reduced by 1 per cent on July 1 and it will be reduced by a further 1 per cent on January 1, 1993. Over an 11-month period the surtax will be reduced from its current level of 5 per cent to 3 per cent.

We appreciate this tax relief even though it is minimal, but we have not forgotten that there was no surtax before the Conservatives came to power. The government wants people to be grateful that the surtax is being reduced from 5 per cent to 3 per cent. The people know that next January they will still be paying a federal surtax of 3 per cent, a tax they did not pay before this government was elected. They know that this tax is just one of a total of 33 tax increases, including the GST, imposed on them by the Conservatives since they came to power in 1984.

• (1620)

Look at the actual savings to taxpayers of the surtax reduction. A table on page 135 of the government's own budget papers sets out the impact of the surtax reduction. The biggest benefits go to those who earn the most.

For example, a single taxpayer earning $15,000 a year now pays $66 in surtax. That individual's surtax will be reduced by $7 in 1992 and $27 in 1993. A single taxpayer earning $75,000 now pays $966 in surtax. That individual's surtax will be reduced by $80 in 1992 and $318 in 1993.

A one-earner couple with two children earning $40,000 a year will have their surtax reduced by $27 in 1992 and $110 in 1993. A one-earner couple with two children earning $75,000 a year will have their surtax reduced by $74 in 1992 and $297 in 1993.

A $7 reduction for the single person earning $15,000 and a $27 reduction for a couple with two children earning $40,000 is peanuts in my constituency. Seven dollars is just slightly more than the price of a litre of milk in most communities in my riding. Seven dollars does not buy very much in the major cities of southern Canada, but it buys far, far less in remote northern communities.

My constituents pay twice and three times as much as southern Canadians for basic goods, including groceries. The surtax reduction is better than no reduction at all, but it is not as good as no surtax at all. Its impact on low income earners in general is minimal and its impact on low income earners in the north is next to nothing.

Working Canadians and their employers are also paying more this year in unemployment insurance premiums. On July 1, 1991 the employee rate was increased from $2.25 to $2.80 per $100 of insurable earnings.

In January of this year, the employee rate was further increased to $3 and the employer rate was set at $4.20. The increase in the premium rate amounts to an additional $1 per week for employees whose insurable earnings are $26,000. Such employees will actually pay more for their premiums this year than they will get back under the surtax reduction.

Potential home buyers now have the opportunity to use their RRSPs to purchase a home. This is basically a good idea, and it was suggested by the Leader of the Opposition long before the budget was tabled by the Minister of Finance. However there are problems with this proposal as well. This plan runs only for a year and only benefits those who have RRSPs. Only those people who are working are in a position to contemplate buying a home.

How many of the 1.5 million unemployed Canadians will this plan benefit? How many northerners will this plan benefit? This proposal will only benefit those who live in areas where there is a housing market. This may seem self-evident in southern Canada where housing markets are taken for granted, but throughout most of northern Canada there is no housing to buy.

A severe housing crisis exists in the north. Affordability is an issue, but availability is a major problem. With the exception of a few larger communities there is no private housing market. The housing shortage results in overcrowding. Houses in the NWT are more crowded than in the rest of Canada. They are more crowded in the eastern Arctic than in the rest of the NWT. Since private housing is not affordable or available, social housing is the only alternative for many people.

Two weeks ago the Inuit Tapirisat of Canada made an excellent submission to the House of Commons aboriginal affairs committee on the issue of housing. It pointed out that in the eastern Arctic social housing cost-shared by the federal government is the only option available to the 80 per cent of the population who do not have housing provided by an employer.

Housing conditions in the north are nowhere near housing conditions in southern Canada. Funding currently provided for housing in the north is not sufficient to bring northern housing to the level of southern housing. The social housing budget for the north must be increased.

Yet, in the federal budget, the Canada Mortgage and Housing Corporation was cut back. The growth in social housing expenditures will be limited to 3 per cent through to 1997. In 1990 $91 million was available for new units. The government has reduced that amount to $70 million in 1992-93 and to $45 million in subsequent years until 1996. This amounts to a cut of over 50 per cent in just three years.

In addition this government has eliminated the co-operative housing program. These cuts are occurring despite the fact that CMHC's social housing budget currently reaches only 6 per cent of Canadians and 15 per cent of Canadians, over one million people, are still in need of social housing.

The increase in the child care deduction will benefit some people, which is good. However, the deduction only benefits those who are paying income tax and the more someone earns the more value it has for them.

Women not currently working outside the home will not benefit from this and their opportunities to work outside the home were not increased by this budget.

The budget did nothing to alleviate the serious shortage in day care spaces throughout the north and the whole of Canada. A severe day care space shortage exists in the north. There are no measures in the budget to alleviate this shortage. Despite repeated promises by the current Conservative government to provide more child care spaces, this budget has proved that these promises are dead. There will be no national day care program. The Minister of Health and Welfare has confirmed this. Once again we have broken promises.

This budget provides no hope for the unemployed. There is no job creation and the budget itself projects that unemployment levels will remain high.

The Northwest Territories is currently in a financial squeeze. The NWT government is cutting back because the federal government has cut its transfers to the territorial government. Unemployment is rising and this budget provides no help. This budget provides no hope for the poor and the hungry.

A couple of weeks ago a 41-year old single mother from Baker Lake in my constituency took it upon herself to raise money for the poor and hungry of her community. Baker Lake has a population of about 1,200 and an unemployment rate of about 85 per cent. Susan Toolooktook walked 50 miles through freezing temperatures, minus 38 degrees, and endured a blizzard which turned her planned three day journey into a week's journey. She raised more than $2,000. Donations have apparently not only come from the residents of Baker Lake and other NWT communities but from Vancouver, Toronto, Saskatchewan and elsewhere.

She said that she did it for the less fortunate because the costs of basic necessities such as food and hunting supplies is often too high for most people. She said that she did it for the people who sometimes do not have any food to feed their children, for those who can never find jobs, and for those who are actually working but are finding it hard to buy the things they need to keep alive or the equipment necessary for hunting because they are too expensive.

In this community some children and their parents go to bed hungry. It saddens me to say it, but hunger is a fact of life for many children and people throughout the north.

I would like to quote a document that was adopted by the United Nations on November 20, 1989, entitled: "Your Rights as Children of the World". It says that one of those rights is the right to adequate nutrition, shelter and medical care. Our Prime Minister was one of the signatories of this document.

I want to recognize Susan Toolooktook for her courage and caring. I wish the federal government cared half as much as she does.

Just before Christmas the Prime Minister ratified the document I just quoted, the United Nations Declaration on the Rights of the Child. That declaration says that children should not go hungry. That declaration is being contravened in our very own country.

Canada must live up to its commitments in that declaration by eradicating the hunger and poverty in our midst.

• (1630)

The government's proposed new child benefits package could be a start in that direction. It is supposed to come into effect in January 1993. The Minister of National Health and Welfare will be discussing implementation of this benefit with his provincial and territorial counterparts and other interested parties. I will reserve judgment on the real value of this benefit until more details are available.

I do want to say that I regret that a national day care program was the government's price for this package. I am sorry the day care program was sacrificed because I believe that the children of Canada and their mothers need more child care support as well as increased child benefits. It is too bad the government made these issues into an either-or situation.

Major changes are needed to the formula financing transfer payments to the territorial governments. However, this budget did not announce any changes and that is rather disappointing. Two years ago the federal government imposed a new financing arrangement on the territories reducing funding to them and the consequences are unfair.

Under the formula, the Government of the Northwest Territories loses $1.20 for every dollar it raises. This is clearly regressive and the Government of the Northwest Territories is currently negotiating with the federal government seeking adjustments to the formula.

Recently the federal government announced increases to the transfer payments to the provinces. I urge this government to be as forthcoming with the territories.

Green plan funding has suffered another set-back in this budget. The original green plan program announced in December 1990 was funded by $3 billion over five years.

In last year's budget the government decided to spread that funding over six years instead of five. This year's budget reduces the green plan by $150 million over the next two years, although the government does say that it will spend that money later. Given this government's record of broken promises, why should we believe it? There are also cuts to the Department of Indian and Northern Affairs and other areas, such as education.

Mr. Speaker, I thank you for your indulgence in allowing me to say what I have to say.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to compliment my colleague on his summary of the budget and his comments on those areas adversely affected in his region of the Northwest Territories, the eastern Arctic, Iqaluit.

The government is always challenging this side of the House saying that we only criticize and never put forward ideas about how to improve the situation or make it better. We are constantly putting forward ideas on this side of the House but it seems that they always fall on deaf ears. That can be the frustration of having ideas in opposition.

However, one of the areas that I think even the government would not refute is that of tourism. Tourism is one area that can galvanize this country. It is one area that can give us back the feeling of dignity and pride as Canadians that we need to have so desperately in this country. I do not care what region you are from, that is an essential requirement today because of the economic disaster that touches all of us and tends to depress us.

The area that my colleague comes from is one of the environmental heavens of the planet. It has a potential for environmental tourism beyond imagination. I would like to ask my colleague if he feels that the government was once again negligent in not paying attention to that potential to not only promote spirit and pride but also to generate more foreign exchange which would improve the quality of life for Canadians in the north and make us all feel proud of the nation as a whole.

I wonder if my colleague could comment on the environmental tourism potential which the government has ignored?

Mr. Anawak: I would just like to say one thing before I get on to explaining how we can benefit from a tourism marketing strategy by this government. That is, it does not really help us very much in our tourism potential when every day for two and one-half months we have 24 hours of sunlight and the Minister of the Environment is telling us that we should be telling our kids to stay inside. That basically tells us that we should stay inside our house for two and one-half months, during the best two and one-half months of the whole year.

In terms of potential for the north, it is there. We have national parks, bird sanctuaries, great fishing, sports hunting and specialized tours in the north. However, there have been some problems in the last three or four years where the tourism potential has been severely cut back because of measures that were introduced in terms of the GST and others and the high cost of travel in the north.

When you add whatever taxes have been added since the time this government has been in power, that travel has been severely restricted. I know, because before I got elected as a member of Parliament I used to operate a tourism company in my hometown of Rankin Inlet.

We used to have people coming up from southern Ontario. We had people from the Federation of Ontario Naturalists. We had people coming by VIA Rail from Winnipeg. We had people coming from Horizon Tours. We had people coming through Fiesta Holidays.

But in the last few few years we have not had that. People are not travelling as much because of the high cost of travel and because of the imposition of further taxes either on the fare itself or the increase in fare because of having to pay more for the services, gas, or whatever to operate the trains or planes and whatnot.

I thank my colleague for asking that question because the potential is there. I know it, he knows it and I am sure that most of my colleagues on this side of the House know it because we were in Iqaluit for a caucus meeting.

I invite any member of this House to come to Whitehorse next week for the Arctic winter games. I cannot remember the exact date, but I urge members from this side of the House and the other side to come to Whitehorse and see the Arctic winter games as well as to contribute to the economy of the north.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I am very pleased to participate in the debate today on the federal budget for 1992. I am pleased with the concrete measures that were announced and with the realistic approach of this budget.

Allow me to congratulate the Minister of Finance. This budget shows once again that the minister listens to the people, is aware of the economic difficulties that Canadians must face and, above all, uses imagination and a realistic approach to come up with solutions which, in the short and medium term, will accelerate economic recovery and restore public confidence.

• (1640)

I also want to point out the excellent work done by the previous Minister of Finance. Indeed, starting in 1984, that minister took initiatives that now enable the government to take positive measures. Today, more than ever before, I am convinced that we were right in defending an economic recovery plan aimed at controlling government expenses and, therefore, the deficit once and for all.

Mr. Speaker, like any Canadian family, the government cannot use credit forever. It is easy to always borrow more; in fact it is a lot easier than to take unpopular measures.

But there comes a time when you have to pay your bills. That time came in 1984 when we formed the government. The situation in public finances was appalling. The federal government was simply living above its means.

However, thanks to very tight controls and sound management practices since 1984, our government was able to announce a tax reduction in this budget. This is certainly very good news for everybody. Moreover, this tax reduction is not reckless borrowing or passing on the debt to others, but rather a rigorous control of the government administration. Once again, we succeed by cutting government expenditures; the salaries for the Prime Minister and cabinet members were reduced by 5 per cent, those of all members of Parliament were frozen; we eliminated, consolidated, deferred or privatized a total of 46 government agencies; we cut operating costs in various departments, etc.

We are also tightening our belts and we require government services to do the same, making sure however that service to the public is not affected.

I now come to an important part of the budget, the family assistance programs. I am one of those who believes that families form the social fabric of our society and that we should do everything possible to help them.

I was among those who appealed to the Minister of Finance to take the necessary steps in order to do away with the injustice which prevailed for many years because married couples with children and unmarried couples with children were not subject to the same taxation.

In the present budget, the minister recognized our demand and corrected that situation. From now on, all couples, married or not, will be treated equally.

This certainly shows how high a priority we place on families from Quebec and from all over Canada. However, the commendable initiatives of the Minister of Finance did not stop there. He announced a complete restructuring of the family allowance and child tax credit systems so that parents will now receive a single non-taxable monthly benefit of up to $144.

This is certainly good news for low income families because it represents an increase of the annual amount they receive and furthermore, they will get their money monthly. They will no longer have to wait for weeks before they can use it and they can budget accordingly.

On that same subject, and in accordance with our government's policy regarding assistance to families, the child care expense deduction has been raised significantly.

This measure will help traditional families but will also greatly help the one parent families. In that area, there is a fact that no one can deny; most single parent families are headed by women. Many of them have the total responsibility for the education of the children and for all other parental activities. A study published in the papers on February 24 showed that poverty strikes hard at many one parent families that, in most, cases have a young woman at their head.

During the 1980s, the number of one parent families skyrocketed in Canada. At the last census, there were 252,680 single parent families in Quebec; that is 21 per cent of all families with children. What is most troubling is that in 1989, in Quebec, 40 per cent of the families headed by a woman were considered poor. Our government is very conscious of those social problems and the changes in fiscal deductions are certainly proof of that. Also, a great many families hope to buy their first house, again, it is often in order to find a better environment for bringing up children. The purchase of a home is, for the majority of people, the most important investment of their lives. Sometimes though, they need help if their dream is to come true. That is the purpose of our home buyer's plan which allows the owners of a RRSP to

withdraw up to $20,000 from it in order to buy their first house.

This initiative certainly helps families, but it also fulfils another purpose, that is revive the home building industry. As they say in French—*"Quand le bâtiment va, tout va"*. If we give those who own a RRSP the possibility to use it for that specific purpose, we will encourage job creation in a number of home-building related industries; we will stimulate the building industry itself and we will contribute to a quick and sustained recovery of the economy.

On budget night this announcement was welcomed enthusiastically by everyone. I am sure the results will be visible soon and will have a positive impact throughout the country.

Canadians want to work, but we cannot make it happen by creating a paper recovery, a recovery based on injecting borrowed money into the economy. What we need is a real recovery, not an artificial one, and I am very confident about the measures contained in this budget.

In addition to helping the construction industry and families, the government has also tabled proposals to help business. The capital cost allowance rate has been raised from 25 to 30 per cent, and $230 million in new money will be committed to research and development. The ceiling for loans under the Small Business Loans Act has been increased to $200,000, and business owners who are temporarily in financial difficulty will be able to obtain financing more easily.

To meet international competition as we enter the 21st century, businesses must be able to purchase the most technically advanced equipment available in order to produce high quality goods at the lowest possible cost.

Having been Parliamentary Secretary to the Minister of Science and Technology from 1987 to 1991, I can appreciate the importance of investing in more efficient machinery. This budget will make it possible to meet this fundamental requirement. The positive impact of these measures, Mr. Speaker, is a foregone conclusion. If small businesses improve their cash flow, sooner or later they will be able to expand and create new jobs. That is the recipe for genuine economic recovery—not a paper or artificial recovery but a genuine, sound and, above all, durable recovery.

This budget is realistic. While its ultimate goal remains reducing the deficit, which is undeniably the answer to all our problems, the budget has taken an innovative approach and proposes specific measures directed at all Canadians. We did not want to play favourites. We included everyone. This budget is fair to all Canadians. The Minister of Finance should take a bow. This is a serious and realistic budget and a perfect response to the challenges Canada must meet.

Mr. Speaker, I intend to vote for these budgetary measures, and I say so with great enthusiasm.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): When the member talks about this budget being a fair budget, and she went through a list of some of the things that this budget will do, we should be very careful not to mislead Canadians. Most of the budget measures the member talked about really do not kick in until 1993. I had some people come in to my constituency all excited about this family plan which by and large I think is pretty good. But you must tell them that it is not until 1993. You have to be careful that you are not creating a false expectation there.

• (1650)

My question has to do with the people who are unemployed, the 1.5 million who we still have recorded and the other two million who are on welfare or some other form of social assistance. The problem that I have when I listen to members of the government is they tend to pat the Minister of Finance on the back and pat themselves on the back for this great budget. There are parts of the budget that I think are responsible and I will give them that. But we keep forgetting in this House that we are not here to look out for those people who are advantaged. We are here to look out for those who are disadvantaged. I, for the life of me, cannot find what good or what specific program in this budget will help the three million people who are out of work.

I would like the hon. member to tell me what she says to her constituents who are unemployed, are on welfare or social assistance and how this budget will help them.

[*Translation*]

Mrs. Duplessis: Mr. Speaker, I appreciate this question from my hon. colleague opposite, the hon. member for Broadview—Greenwood. I want to tell him that Canadians who are unemployed or on welfare can place great hopes in this budget because it provides strong foundations for recovery.

We have taken several initiatives since 1984, including an increased emphasis on training so that people are better qualified to take up new jobs, be it in high-tech areas or elsewhere. We have asked our industries to improve their productivity and facilitated their achievement of this goal. We have also facilitated the emergence of new high tech-businesses, supported the pharmaceutical sector as well as research and taken steps such as creating excellence centres to ensure the immediate communication of research results across the country.

We have taken all kinds of steps, including some regarding financial matters to facilitate a number of things, thus laying strong foundations on which to build the future so that, in the years ahead, Canadians can compete internationally and globally.

My colleague says that we pat ourselves on the back for this great budget. Personally, Mr. Speaker, I must say that I do find it excellent because we listened carefully to Canadians. We carried out public consultations and Canadians have asked for the following. They want realistic, lasting solutions to our economic problems, not quick fixes. They want us to cut the deficit. They want government streamlined and made less wasteful. They want opportunities to improve their skills. They want steps taken to ensure that our social programs meet their basic needs. Most of all, they want a renewed basis for confidence.

So here is what we have done. We have substantially reduced the deficit. We are cutting spending and taxes. We will restructure and streamline the operations of government. We will increase support for research and development. We will reduce the tax burden for the manufacturing and processing sectors. We will help small business. We will simplify and substantially enrich our support programs for families and children. We will assist Canadians with registered retirement savings plans to buy a home. We will increase our support for Canadians with disabilities.

The Acting Speaker (Mr. DeBlois): I am sorry for interrupting, but the five minutes are up.

[*English*]

Mr. Ken Hughes (Macleod): Mr. Speaker, it is a real pleasure to participate in the debate here today on the budget and to speak on behalf of the people of Macleod.

It is an important debate on an important budget. This budget is consistent. It is realistic. It is sensible and, above all, it is fair.

I would like to touch on each of these points. I would also like to discuss how this budget affects the people in the province of Alberta and the people in the constituency of Macleod which I serve.

The first thing to note about the budget is its consistency. Perhaps this was the most difficult budget for this government since it was elected in 1984. We know some Canadians, we heard this from a small minority, called on the government to abandon its policy of fiscal restraint. They asked for higher government spending at the expense of a higher deficit. They wanted to shift greater costs on to the shoulders of our children.

They were a vocal and a sadly misguided minority. They did not speak for a majority of sensible Canadians. A majority of Canadians asked the government to maintain the fight against the deficit.

I met with many constituents in the months prior to the budget. They told me above anything else to continue the fight against the deficit. Certainly a majority of my constituents want the government to continue with its policy of fiscal restraint. In this way, the budget is fully consistent with the fiscal prudence of the seven previous Progressive Conservative national budgets.

Not only is the budget consistent, but it is also realistic. It does not offer the quick fix or shortcuts to prosperity that some would have us provide. Some would have us believe that is possible. History proves that just is not possible. It just does not work. The reality is that Canada's debt is over $400 billion. The reality is that the budget deficit will be down to $27.5 billion in 1992-93 and dropping year by year after that. The reality is that the Government of Canada should no longer need to borrow money after the mid-1990s. My constituents continue to encourage the government to look for ways to reduce spending. They know that increased spending means increased deficit and increased taxes. They find that to be unacceptable. They know that reduced spending means a reduced deficit. This budget responds to those concerns. A $1 billion cut in spending in this

budget for 1992–93 is a realistic response to the needs of the country today.

The budget is also realistic because it is sensitive to Canada's current economic situation. It provides a framework for a lasting recovery.

The Minister of Finance had to deal with these realities in preparing this budget. In the face of very difficult economic times, he has done very well, just as those of us from Alberta would have expected.

The budget is sensible. It offers some sensible solutions to the problems that Canada faces today. For example, on the question of streamlining of government, small business people in my riding tell me, and I know from having been a business person before getting into public life, there is just too much red tape in the dealings with the federal government. I know that all other members in the House will have heard that as well. The sensible thing to do is to streamline. Cut duplication and make government more efficient and easier to deal with for business people. The budget takes those steps. Those are sensible steps.

It makes it easier for small business to deal with government. It makes it easier for small business people to stay in business and to contribute to creating new jobs, new economic opportunities and leading the way to economic recovery.

This is a fair budget. It gives taxpayers a break through a reduction in the income surtax. Every Canadian taxpayer benefits. Across the board cuts ensures that all Canadians are treated fairly.

The budget also addresses an area of fairness which I have been concerned with for some time, the treatment of families under the tax system. Many people in my riding of Macleod wanted this situation changed. They felt that it was unfair that the traditional family unit was being penalized by the tax systems.

• (1700)

Many other members of my caucus from Alberta also realize the unfairness of the situation. A caucus committee was formed and under the guidance of my colleague the member for Calgary North, a series of recommendations were made this past autumn. This is from the family caucus. The finance minister listened and made some of the recommendations aspects of the budget we are currently debating. Fairness has been restored in this area.

This is another good example. People often ask how one member of Parliament can have any positive impact on the Government of Canada. Well, here is a good example. Members of the Alberta caucus are effective representatives of our province and as chair of the Alberta caucus, I am proud of our contributions to this budget. I thank the Minister of Finance, who happens to come from Vegreville, for having listened to his colleagues from Alberta.

He has also listened to all Canadians. The budget is the product of consultation over a period of months. Albertans as well as Canadians from other provinces played a very important role in those consultations. The finance minister travelled across the country and he listened.

As well, I worked in my constituency listening to the people from Macleod. I heard many suggestions in phone calls and letters I received daily. As you might imagine, the people of Macleod are more than willing to offer useful advice, something that is true, I am sure, in all other constituencies. I took that advice and I passed it along to the minister. The minister listened and this is the result.

What did I hear? I have touched on some of the points already, but let me just hit the highlights. The people of Macleod told me that above all else, continue the fight against the deficit. They want this government to stand firm and not give in to pressure to increase spending at the cost of a higher deficit. They want realistic solutions. They realize there are no quick fixes, no shortcuts to facing the economic problems we have.

Albertans have asked for a leaner, more responsive federal government. In fact, it is true that they have asked for the same thing from provincial governments as well. The federal government is listening and we are working hard on that.

People want a government that does more with less. Small business people tell me there is too much red tape

and duplication when dealing with the federal government. The budget responds to all of these concerns.

What are people saying about this? Here is one example. A businessman from Lundbreck, Alberta sent me a fax shortly after the budget came out. It read: "I am very pleased to see the budget highlights. It is exactly what we had hoped for in the direction it has taken. Keep up the good work".

The Calgary Chamber of Commerce issued a news release that read in part: "There are some good signs of leadership in today's budget, such as no tax increases. A decrease in the surtax, a child tax credit increase of $1,000, a capital cost allowance increase from 25 to 30 per cent for manufacturing and processing equipment and a $20,000 RRSP homeowner loan are all conducive to mildly stimulating spending. The 5 per cent rollback in minister's salaries, although modest in dollar terms, is also symbolically important".

Mr. Speaker, I know that my time here is quickly coming to a close, but I want to let you and all members of the House know that I stand firmly behind this budget. I believe it has come about as a result of thorough consultation with Canadians. It is contributing to a stronger economy. It is contributing to the recovery of the economy in Canada and it continues to supply the kind of leadership this country needs.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I listened to the member from Alberta who praised his fellow colleague, the finance minister, on his budget.

I have spoken several times during this budget debate and I have to say that I cannot praise it. I have been here a long time and the Minister of Finance has been in this House a long time. I heard him, when he sat on this side of the House, criticizing budgets.

I am sure he understands why we have to criticize this minister's budget. There is nothing in it for ordinary Canadians.

The ordinary Canadian today is looking at Parliament and asking what goes on here. Why is this not a flexible enough institution to deal with the every day problems that are afflicting ordinary Canadians' every day lives.

I say that because he talked about fairness. Where is the fairness to the unemployed? Where is the fairness to the small businesses that are going under daily across Canada? Where is the fairness in that there are no new incentives to create jobs?

There is no extra money to go into research and development and this country needs so much of that. We have all the expertise.

Let us look at fishing. We have over-capacity, we are told by the Minister of Fisheries, onshore and in the water. Yet we allow the foreigners to come in within our 200-mile limit when the jobs are there onshore to handle that fish.

There is nothing to put a new direction into the marketing of that fish. If the foreigners can come over here, catch the fish and eat it at home, why can we not catch it and sell it to them? It needs a bit of turnaround by this government to see the opportunity that is there for us.

I ask the hon. member this question. Where is the fairness from the government's side to the people in Canada who are homeless, hungry and who have been unemployed for the first time probably in all their working lives. Where is the fairness in this budget that the member is talking about?

Where is the creativeness that is needed which we are not seeing from this government? Where is the creativeness to get Canada going again?

Mr. Hughes: Mr. Speaker, I am delighted to respond to the points made by the hon. member for South West Nova and I appreciate her intervention.

She should know that I would be a little bit out of my depth spending a lot of time talking about fishing, having not a great number of fishermen or people involved in the fishing industry in the riding of Macleod.

Let me deal with the question of fairness head on. The hon. member asks about fairness. What this government is providing is a fair economic climate that allows everybody the opportunity to take advantage of the opportunities that are there. Let us look at the interest rate policies that have brought us the lowest interest rates we have had in nearly two decades.

Let us take a look at the training programs that this government has put in place. I am sure they are taken advantage of in the hon. member's riding as they are in my riding. There are parts of my riding where there is chronic unemployment, and we have taken a creative look at the way in which training programs should work.

We have taken a creative look at the ways we should assist people in chronically underemployed areas and I must say that it has resulted in significant opportunities in the Crowsnest Pass area. In fact, what has resulted is the opening of a new plant, Strand Industries with a considerable amount of assistance from the Government of Canada.

These are Canadians who have faith in the opportunities that are there, that are marketing internationally, that are looking for things to do, that are looking out, that are not part of the doom and gloom that the CBC and my colleagues opposite would have us all believe is bringing us to the end of this country. These are the people who are taking the opportunities.

There are many other examples but I see I am getting the eye from the Speaker so I will sit down.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I am pleased to be able finally to take the floor as a full participant in this budget debate As finance critic of the Bloc Quebecois, I cannot help pointing out the democratic deficit in this House, which seems to me to be as chronic as the government's budget deficit.

• (1710)

Forty-one major statements have already been made during the first three days of the budget debate, not one of them by a member of our party. Parliamentary democracy in the House of Commons is practically as sick as the federal government's finances, Mr. Speaker.

In spite of that, I can assure you that I will continue to be present, to demand fair treatment and to defend Quebec's interests. We know the political legitimacy of our party in Quebec and we know that after the next election, there will be more than 60 of us to express Quebec's interests even more strongly.

Until that day comes, and I hope it is soon, let us look at the February 25 budget. All in all, this budget got a better reception than any of Michael Wilson's, at least for a few hours, while the Minister of Finance got an initial media reaction that was not too disastrous.

The day after, the rather moderate earlier comments were heard less often. Two days after, the Canadian dollar started another slide that the Bank of Canada is still trying to stop with a gradual increase in interest rates.

The Minister of Finance wanted to leave the public with a first impression of a government that had managed to reduce the deficit while lowering income taxes slightly. But this first impression gave way as analysts and ordinary citizens learned what was really in the budget.

The camouflage lasted only a day and the disenchantment will last all year. Why such disenchantment? First, because all agree that the budget's economic forecasts are too optimistic. This government has a habit of announcing that it sees light at the end of the tunnel. The problem is that the tunnel is getting longer every week, every month, every year.

Indeed, if this government's budget forecasts since it came to power had been realized, we would already have a budget surplus, although the projected deficit for next year is still $27.5 billion. We all know that this estimate will be exceeded.

Let us quickly compare the finance minister's forecasts with the data now available. In his budget of February 25, the minister expects business investment to grow by 0.5 per cent in 1992. However, on February 28, three days later, Statistics Canada published the results of its business survey and predicts that business investment will decline by 1.5 per cent.

Concerning the labour market, the budget predicts an increase of the work force, a higher number of jobs and a decrease in the unemployment rate, to 10.1 per cent. On March 6, 10 days after the budget, Statistics Canada announced for February a decrease of the work force, a decrease in jobs and a higher unemployment rate which rose to 10.6 per cent. In fact, there were 3,000 fewer jobs in February at the worst part of the recession.

The budget predicts for 1992 a continued decrease of interest rates, down to an average of 6.9 per cent for short term and 8.5 per cent for long term. During the last few weeks, we have seen the interset rates rise; they are now at 7.85 per cent for shot term and at 9.1 per cent for long term. The dollar is still going down and there is a chance the interest rates will keep increasing if the

Governor of the Bank of Canada maintains his suicidal policy.

The budget predicts a vigorous recovery of residential investments with an 11.9 per cent increase. On March 9, two days ago, only 13 days after the budget, the Canada Mortgage and Housing Corporation announced that the market had not reacted at all to the lower interest rates of the last few months and that the slight increase in construction starts we observed in Febuary for the whole of Canada was due to the high number of social housing projects launched in Ontario thanks to the budget of the Ontario government so strongly criticized by the federal Minister of Finance.

According to me, it is useless to go on with this analysis of the minister's predictions. They are already outdated and, as always, the economy is worse than expected and the deficit will be higher than anticipated.

Why such a disastrous outlook, Mr. Speaker? Because the government rejects the most powerful tool it could use to stimulate the economy: the monetary policy. Even though there is no convincing sign of economic recovery, the governor of the Bank of Canada is sticking to a policy of high interest rates, an ultra-conservative and suicidal behaviour in the present circumstances. The fight against inflation has been over for months and the Canadian dollar must come down to a level where the Canadian economy can be really competitive. Economists seem to agree that such a level should be between 75 and 80 U.S. cents.

The financial sector has already nicknamed the governor of the Bank of Canada Rambo because of his merciless fight against inflation which has resulted in 1.5 million unemployed in Canada. Even Rambo stops when the war is over, but not Mr. Crow. To him, high interest rates and a high dollar are a religion. The financial sector had to find a new name to describe his suicidal blend of religion and monetary policy. He is now known as the Bank of Canada's ayatollah.

Mr. Speaker, nothing in the finance minister's speech leads us to believe that he will exercise his statutory responsibilities and put an end to this policy which is a disaster for our economy. On the contrary, he has only praise for his monetary policy's ayatollah. They practise the same ultra-conservative religion, convinced that they are right and everybody else is wrong.

With the inflation rate at 1.6 per cent, the real interest rates in Canada are 3 to 5 points above those in the United States, a level totally unbearable for the Canadian economy. When we talk about a lower deficit, Mr. Speaker, we must also look at recovery. When interest rates go down 1 per cent, the government can save more than $4 billion on the cost of servicing our enormous national debt. When there is a recovery and the unemployment rate goes down 1 per cent, the additional revenue for the Treasury as a result of this 1 per cent drop in unemployment totals $5 billion. We have to look at the impact on economic recovery, not just the cutbacks.

Are there more disappointments in this budget? Of course. Private citizens and businesses initially believed there would be a modest tax cut, as announced in the budget, but they were soon disillusioned. First of all, cutbacks in transfer payments to the provinces for health care and post-secondary education will make it practically impossible for provincial and municipal budgets to avoid tax increases.

For Quebec alone, the potential loss is nearly $2 billion for the coming year, while municipal taxes payable in April, which is quite soon, are substantially higher as a result of last year's cuts. Furthermore, the unemployment insurance account's deficit is expected to lead to another increase in employee and employer contributions in 1992, after a 32 per cent increase in 1991, since the government has withdrawn altogether from financing the unemployment insurance fund.

The prospects for tax relief have faded and will disappear altogether when provincial budgets are tabled at the end of April and in early May.

Once we analyse the few concrete measures in this budget, our disillusionment will be complete. First of all, we see the government abandoning its commitment to a genuine family policy, which it did without any consultation with the provinces, although we all know perfectly well that family policy is a fundamental issue, at least for Quebec. The family allowances system has been replaced by an income support plan for low-income families. This decision points to a significant change in values and a new concept of the role of the state in society,

especially with respect to the family, a concept that reflects an ultraconservative about-face, while there was no opportunity for a real debate on this issue.

The government is doing gradually and in a roundabout manner what voters would never tolerate if they knew exactly what was at stake. In the short term, families whose income is the equivalent of the average family income will receive a benefit on a level with benefits under the present system. However, since income levels will not be indexed, there will be a gradual erosion of the amounts available to families. As is the case for other measures already implemented by this government, the negative impact will be felt only gradually.

The changes involving unemployment insurance and the jobs strategy announced three years ago are a case in point.

• (1720)

When it tabled Bill C-21 on unemployment insurance reform, the Canadian government made a big promotional drive concerning its employment strategy with funds of $1.8 billion. On numerous occasions, the government promised that the unemployment insurance reform would not affect the funds targetted for the employment strategy.

The Minister of Finance remained silent on this issue in his speech. We had to wait for the tabling of the Estimates by the President of the Treasury Board two days later to find out that the funds for the strategy had been reduced to $1.3 billion. That represents a cut of $350 million compared to last year and $475 million compared to the original commitment.

The government is trying to make us believe that these cuts are compensated by supplementary funds for job training under the unemployment insurance program. In fact, the funds provided under the unemployment insurance program are only for those who are eligible to unemployment insurance benefits, which excludes all the workers who have been unemployed for a long time, as well as those already on welfare. Thus, the cuts in the funds for the employment strategy directly affect the programs for the have-nots that wanted to join the labour market again and were hoping to improve their lot.

From now on, this responsibility will increasingly have to be borne by the provinces and municipalities, even though they do not have the necessary tax base to provide such help. This is a good example of the gradual consequences of the new programs implemented by this ultraconservative government. It is not the only example of unfulfilled promises. The fate of the co-op housing program is just as eloquent.

That program, which was originally at the experimental stage for five years, was the subject of an in-depth study in 1990 and, given its social usefulness and economic efficiency, eventually became a permanent program. The co-op groups, which were reassured as to the future of the program, undertook to submit concrete projects. Last December 17, the minister responsible for housing confirmed that the program was now permanent and he even announced a slight budget increase for 1992. Yet, in the budget speech, the Minister of Finance announced unequivocally the elimination of that program in order to make annual savings of $5 million, an amount which is 30 times less than the increase in the national defence budget. This is a brutal violation of a commitment renewed on the very eve of the budget. It is no wonder that people no longer any confidence in this government.

For Quebecers, there is another way of evaluating the performance of this government, and that is to see how it fulfils its responsibility regarding regional development. How is Quebec treated compared to other regions? Without considering the billions for western farmers and the hundreds of millions for fishermen who are in particular difficulty—I am only considering the regular budget funding to fight the imbalance in regional development in 1992, the Atlantic Canada Opportunities Agency receives $447 million, the Western Economic Diversification Department $301 million and Quebec $191 million. The Atlantic region gets 25.2 per cent more, the west 3 per cent more, while Quebec gets 18.3 per cent less.

Where were the defenders of Quebec's interests in this government when this budget was being prepared? According to any criteria of fairness, Mr. Speaker, Quebec is literally being robbed when it comes to regional development. For Quebec industries, especially those that do research and development, this budget continues to penalize them seriously. At the recent first ministers' conference, the Quebec finance minister asked the federal government to harmonize its taxation of research and development with Quebec's. Why? Because now, the federal government taxes back 39 per

cent of Quebec government funding for companies that do research and development in Quebec.

How can that encourage Quebec's long-term economic development, when we know very well that the federal government's spending on research and development is concentrated very heavily in Ontario?

We Quebecers have only one consolation. In view of such a situation, the referendum on Quebec sovereignty in the fall of 1992 will finally give us a chance to get out of this madhouse, to take back all our taxes and to assume all our responsibilities.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I welcome this opportunity to express my views on the budget that was brought down about a week ago, if I am not mistaken.

[*English*]

I have the privilege and honour to speak partly on behalf of the citizens and constituents in the Mount Royal riding as well as those people which one has the privilege and pleasure of meeting across this country in the role of member of Parliament. It is important for all of us to address this budget and to do it in a way that is somewhat analytical while at the same time perhaps a little philosophical.

We must be made aware of the fact that this budget we are addressing is clearly designed as a short-term budget. It is not based on the reality of the lifestyle and living conditions we find in our country, which is faced with an incredibly high rate of unemployment and is very unstable in terms of its sense of belonging, its sense of self and its place in an evolving society. The political interests of this government have never been so blatant as they are in this particular budget.

Serving that particular political interest is a great disservice to the long-term social, economic and cultural interests of this country. Let us be reminded of the fact that this government has constantly said that it is going to reduce the deficit. It has done little of that. This government has said that it is going to create jobs, jobs, jobs, and we know it has done very little of that.

This budget is deadly silent and puts nothing in place to prepare our society, our population, our workers to deal with the newly evolved society in which we find ourselves. The international world today is a globalized market, it is a post-industrial market, it is a high- tech world. We have not organized and have no industrial strategy to properly help our workers make the kinds of adjustments that are needed.

There are no adjustment measures in here. There are cuts in research and development. There are no mechanisms to aid the transition from old jobs to new, no training for the 1.5 million unemployed, let alone an attempt to address the problems facing the over two million Canadians now forced to live on welfare and the thousands of Canadians joining them every single week because there just are not jobs out there. Our economy is falling flat on its face.

This critique of what the government has done and has failed to do is just a short snapshot.

This government often says that the Official Opposition does very little except criticize, that it puts forward no new ideas or new projects. That is really not the role of an Official Opposition in this House. It is here to analyze what the government is doing and to make constructive observations on what the government is doing. In this case our party chose to make some very constructive suggestions as to what we should do just before the budget came up. As a matter of fact, at the end of January the Leader of the Official Opposition and the Liberal Party put before this government an emergency economic plan for its consideration in the creation of the budget.

It was thought about very carefully with the thought of addressing the deficit so that we would not add to the deficit in any significant way while at the same time put the country back to work. That economic and social balance is required.

As the Canadian economy was mired in the worst economic crisis since the great depression and we had not heard any specific plans or goals on the economy, to get the economy kick-started again, we put forward a plan of action in these tough economic times, in which it is so much harder for first-time home buyers to afford a down payment on a home, to help the weak housing market move forward and stop the negative spin-offs affecting the whole economy.

• (1730)

We also said that there were hundreds of towns and cities across Canada with infrastructure projects waiting only for adequate funding. We need a good, solid, healthy infrastructure if we want industry to come in and grow around that infrastructure and get the best of modern service. What is the point of high technology if we cannot move it after we have made the widget?

Many workers have lost their jobs permanently and lack the necessary skills to be competitive in the marketplace. This House will recognize the fact that 40 per cent of Canadians have difficulty with basic reading, writing and arithmetic and the illiteracy in our population must be addressed if we want to face that global competition and have a new prosperity, that famous new word this government loves to use.

There were two million Canadians and more 700,000 children relying on food banks in 1991. Someone has said that we have more food banks than we have McDonald's restaurants across this country right at the moment. We came up with a program, the elements of the one-year emergency plan I am going to outline as they were submitted by the Leader of the Official Opposition.

First, a 5 per cent minimum down payment for first-time homeowners. Lowering the required down payment from 10 per cent to 5 per cent would help boost the beleaguered housing industry and open up ownership to those who have never before had a chance to own their own home. The direct cost of that program to the taxpayers is zero.

Second, allow the use of RRSPs to finance first-time homes. I was a little bit leery when I first heard that but then I looked at how the RRSP was to be used. It was not the same as this government's approach which allows $20,000 each to buy any kind of home at any price. That is highly irresponsible, but our approach was very responsible. Our plan would help to stimulate the housing market, and it was endorsed by the Canadian Real Estate Association. In our plan the maximum allowable withdrawal would be limited to $7,500 which would go along with the 5 per cent down payment. The direct cost of this program to taxpayers was zero.

Third, a shared cost infrastructure program. Funding for these projects would be shared one-third each, which is only fair and logical, between the three levels of government. The federal share would be $1 billion, and there would be a provincial and a municipal share. Half to two-thirds of the jobs created in these projects would be in construction and in manufacturing and 90 per cent of the materials required are manufactured in Canada.

Studies have shown that the net cost to the federal government, after considering increased tax revenues and decreased unemployment insurance payments and welfare payments, would be about $300 million. That $1 billion upfront cost would be funded through reduced debt service payments which would have resulted from lower than expected interest rates.

Fourth, intensified training initiatives. Canada is still one of the lowest per capita investors in training among the OECD countries. Then in this budget we went and cut anything that would lead to research and development or training.

The government must increase the scope and availability of basic skills programs and find new ways to get Canadian companies to invest in their workers. It just makes good sense to invest in one's workers. This $150 million program would be funded through the existing training programs cancelling the $20 million prosperity initiatives along the way—that road show is totally unnecessary—and reduced debt service payments. It was a very good initiative.

Fifth, emergency federal funding for food banks. In 1990 the federal government spent $67 million on advertising and millions and millions of dollars more on polling. If we redirected merely $25 million of this money to food banks we could help to provide immediate short-term relief to thousands of suffering Canadians. The direct additional cost of this program to taxpayers would also be zero. I would suggest that those were very positive suggestions. It is just regrettable that this government chose to ignore every single solitary one of them.

What did the government choose to do instead? There are many, but I just picked a few for your own information, Mr. Speaker, and for the information of my constituents.

The government chose to kill off some key agencies like the Economic Council of Canada, the Science Council, the Law Reform Commission, the Canadian Institute for Peace and Security.

All those organizations and commissions that had generated national discussion, invited independent thought, gave different perspectives than that which came forth from the government, gave helpful ideas and helpful opinions from top researchers and top thinkers in this world and not only in Canada.

The ideas that came forward, the research that was embarked upon perhaps at times seemed to sting and to bite the government. Perhaps it felt that the hand that was feeding it got bitten too often.

Therefore, the government decided it did not like the advice it was getting. It did not like the direction in which these organizations and councils were heading. So it decided to silence the voices of dissent and took a very dangerous step in cutting out those particular councils and commissions. I would suggest that that was a very dangerous thing for the government to have undertaken.

One of the other things that was cancelled was that of the charter challenge program. Cutting out the charter challenge program is fundamentally showing lack of respect for the poorest and the most vulnerable in our society.

That charter challenge program was to ensure that we would build a body of information of jurisprudence that would enable us to have a base from which we could judge the equality of individuals, and fairness and equity in our society. To cut out the charter challenge program is an extraordinarily cynical move.

To prove that the cynicism was well-founded in the budget documents, we also found it passing strange to note that this government decided to renege on its obligation as directed by a court decision and is refusing to pay the $1 billion which it owes its female employees, its own employees. I would like to know what organization or what business could get away with not paying its own employees.

The government seems to feel very comfortable. Most of those workers were women. In fact, all of them were women because it was a charter case, and the government is refusing to pay them half of the salary that they deserve. Because it did not like where it came from, it closed down the dissent. It closed down the charter challenge fund. I would say that it just indicates the kind of thinking that went into this budget.

I was curious to know how the government was planning to look after the people of this country. I indicated all the things that the government has cut and many of the things that it did not put into place, the adjustment programs which were supposed to be put into place for free trade.

We know that the free trade agreement, because of its poor negotiations, because of its bad application, has had serious negative effects on Honda, on many major sectors like magnesium and softwood lumber.

Quebec is suffering greatly under these particular challenges as is British Columbia and other parts of this country.

We need for these workforces that are being challenged and for the thousands of manufacturing jobs and the thousands of bankruptcies that have taken place—just look at the clothing industry, look at the clothing stores across this land. We need to have some kind of retraining program, some innovative programs.

I remember in my riding when the Conservatives were running against me they kept talking about the incubator programs that they were going to put in. I said: "Good, do it. I don't care. Just do something to help the people in my riding". I have so many thousands of people in my riding who are on welfare, who are on unemployment insurance. If this government were to do something that would help them, I would be the first to compliment it.

• (1740)

Did the government do that? No. It did not reduce the GST. It let interest rates go up one point which over the course of a year will cost about $1.8 billion in added debt costs instead of targeting—I think I am right. I have my gurus over here and they will correct me if I am wrong.

The government could have taken that $1.8 billion that will add to the debt and if it felt comfortable in doing that by raising the interest rates, why did it not use that money in a more creative way?

Why could it not have used it for social housing and co-op housing? In my riding social housing and co-op housing have been responsible for incredible changes.

Yet I have some of the oldest housing stock in the city of Montreal and it is in serious need of repair.

There are low income people. The black community tells me it has close to 45 per cent unemployment in the category of young people between the ages of 18 and 24. The multicultural community and the other visible minorities tell me they have an unemployment rate of close to 27 per cent.

I know, and the members of this House know and I do not like to say the Maslow's hierarchy of needs, but the primary needs of a family are decent housing and decent food as bottom line minimums and we are not responding to them. When we cut out social housing and co–op housing, we are cutting out one of the fundamentals in needs.

So the co–op got chopped, social housing got cut and we still have 360,000 housing units needed in Quebec. In my riding, I want co–op housing to fix up the apartment buildings and make them usable for people today.

I talk to you about unemployment which is staggering. I talk to you about the fact that because there is this recession and because many of the unemployed in my riding are visible minorities who suffer from discrimination—unfortunately, we have not evolved enough to see people with their ability and their competence, not the colour of their skin or their disability—these people need help and this budget does nothing.

This budget is a masterpiece of workmanship done by creative bookkeepers and program packagers. But if you take a look at what is inside that box, as pretty as the design might be, there is nothing of quality, there is nothing of any value that can be used in today's society.

In this House the government has talked about the new child benefits program. I am sorry I have only two minutes left, I could go on now for hours. Gee whiz.

This new child program—I cannot believe this minister decided to say, and he stood up here and he said it and then he tried to apologize for his language. I remember his language around *deranger*, now I remember his language about killing VIA Rail and now he is killing child care. Let me tell you that a building block to become integrated and fully acceptable on a footing of equality in this society is a family and particularly for women is proper national child care.

Now, the government chose not to do that just to increase the interest rates. Then it has the gall to put forward a child benefit package. It rolled together family allowance and the refundable child tax credit and it said to everybody that it was going to give them something that is great, something that is new.

The government is going to deliver a new program to their door. They are going to get a cheque that they are going to love. Sure it is the same $1,020 dollars it was before, divided into 12 parts.

But the one thing that this government did not mention is a little nasty undertaking it has put into every social program, into every tax benefit program.

Ask the seniors who know what I am talking about when they got a 75 cent increase on their cheques last month. Ask them how much that purchased for them. It is called deindexation over 3 per cent. It is called a deindexation bug that this government has put into everything that is worth while which indicates that it really does not care for the kinds of social programs that we need in this society.

If we want a decent society, we need to balance the economic with the social and I would add the cultural, because in the sense of the dynamics in which we are living, the cultural is as political as the politics in the whole question of the Constitution.

I find this budget very disturbing. I find it full of trickery and flim flam. I would like to say that with the smoke and mirrors used now, do not worry, the Liberals are coming in and we will change things, I promise you that. Poor people will be the target for us too, better than the government is doing.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to thank my colleague for Mount Royal for her summary of all of the deficiencies of this budget, especially the charter challenge program.

In my riding I have heard so many complaints and concerns from legitimate groups and organizations that are concerned about this particular aspect of the budget that was cut out. I thank her for bringing this to the nation's attention.

My question has to do with her area of responsibility in the national Liberal Party of Canada and that is culture and communications. Everyone in this House would

agree that she has done a fantastic job in supporting that vital sector of our economy.

It seems to me that this government tends to want to diminish the federal presence in this country. It tends to want to shove off responsibility. In its cutting it is not only eliminating things but it is also pushing responsibility on to the provinces.

I want to ask my colleague, does she not think that this diminished Canadian presence by not really supporting arts and culture in this budget that we have lost one of the most vital instruments this country has ever had in galvanizing us as a nation?

Mrs. Finestone: I thank you for your warm comments. Yes, I would like to make a comment. I was planning to do the speech on the estimates in this light.

I tried to indicate that the constitutional perturbations that we are going through right now are as much cultural as they are political.

When I read the budget report I realized that there was a $55 million cut in one area, another $35 million cut in another area, and a third $21.5 million cut. These are all in the cultural field. The government seems to have something stuck in its head about 3 per cent. The cuts in each one of the agencies adds up to a total of over $6.5 million annually over five years, which is about another $35 million. It is even more than that actually.

The interesting thing is that this government does not seem to appreciate that many of the institutions which our government put into place and promoted were in the interests of developing the artistic expression in all fields of expression.

It is the individual artist, through his freedom of expression, through his creative and intellectual thought who enriches the whole population. Individually a collective is formed which then becomes this highly diversified and unique heterogeneous multicultural society that is Canada and that is so enriched by all these talents being added in.

The government does not seem to feel that is a good idea. It put forward policies that do absolutely nothing to enrich this country in that regard. Just have a look at the film policy it put in that was terrible and that did not go through. The book publishing policy of which it is very proud ended up being a 10 cent on the dollar investment.

I would say that the indications all along the way are although it wishes to maintain the national institutions and although there is definitely a recognition on everyone's part that culture is not just the high arts, it is everyday living and everything else, from the couch potato through to whatever else one wants to do—go to the hockey game. There is a role for the municipalities, there is a role for the provinces and there is a role for the federal government. The over-arching goal of the federal government is to enable us to know, understand and appreciate each other from coast to coast to coast. The role of the provinces is to enable the institutions and organisms that are within that province to flourish and grow, particularly museums, libraries, local arts festivals and things of that nature. Artists, by the very nature of their independence must, should and shall maintain the right to knock on every door, federal, provincial, municipal and private sector.

• (1750)

I hope that in a sense I have answered the question. I can only say that the $2.6 billion that we spend on arts and culture in this country, which includes the CBC, is certainly not enough. We must improve in that area. Allan Gotlieb told us that we need $47 million as a beginner in Canada Council alone if we want to do anything. What does the government do? It cuts the Canada Council I think by $260 million.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, it is an honour to be able to participate in this budget debate and to share this time slot with my hon. friend from Sarnia.

I would like to address this budget from the perspective of someone representing an agricultural riding in the west. I want to especially stress the concerns of people in that area, not just as they relate to agriculture but to the economy generally, their concern about the family, about fairness and taxation, wanting to see a reduction in the duplication and waste in government agencies.

At the outset it has been suggested by some in opposition that this budget does nothing for agriculture. Of course that is a complete falsehood. Not only do we have support for agriculture in terms of policies leading to lower interest rates—these not just for agriculture but for all Canadians—but we have a revised child tax benefit which is targeted to those who need it. We have a continuation of agricultural policies which we are deliv-

ering to the grains and oilseed sector this year, something in the order of $4 billion.

It is true that in the minds of some and indeed for some producers that is not enough to sustain them. In the minds of many taxpayers it is far too much. The problem lies beyond our borders. We all know that the difficulties in agriculture are caused by this disastrous trade war that has been going on between the United States and the European Community. That problem lies beyond our borders and indeed in many ways the solution will be found there as well through multilateral negotiation, hopefully through a GATT deal.

Another concern for people in my area of Swift Current—Maple Creek—Assiniboia is western diversification. Part and parcel of the concern that we have with agriculture, with our over-dependence on the export of grain, is the search for other things to do for diversification in an area which basically lends itself very much to the growing of grain for export.

In that regard we have the continuing support of the Department of Western Economic Diversification which is a $1.2 billion revolving fund that was established some years ago by this government with the express view of trying to stimulate, as it names implies, diversification in the west so that loans are made to individual and corporate entrepreneurs for new market, new product, new technology, import replacement, innovation and job creation. That program, I am happy to say, has been extremely successful in my area and many people continue to be enormously supportive of it. So support continues for agriculture and it continues for diversification.

Having said that, I want to touch on some of the highlights of this budget document as I believe people in my constituency see them. First and foremost is the taxation of families. There is an element of fairness in this because finally married couples are going to be treated the same way as those who choose to live common law. Unfortunately over the years a number of elements have entered into the taxation system which have combined to place a much greater tax burden on married couples compared to those who choose to live together. I point to the GST credit, the child tax credit, principal residence, attribution rules, the equivalent to married exemption and so on.

As was pointed out by a number of my colleagues in the Conservative caucus, I want to pay tribute to my colleague, the member for Calgary North, for chairing that caucus which has brought forward a number of very useful suggestions.

Based on those recommendations, we do have these measures in the budget which I think will find considerable favour, not just in my constituency but across the country. Why should there be a bias away from the traditional married couple?

The second element in the taxation of families which I think is extremely important is the child care deduction. The maximum available has been increased. I will not go into the details of it, as it is contained within those documents.

The third area is the enriching of benefits for families with children. In that regard, we have a major reform of the existing system in that one monthly child tax benefit will replace the current patchwork of assistance. The family allowance, the child tax credit and the refundable child credit will be amalgamated and the single monthly payment will make the system simpler and more responsive to family needs by targeting more fairly the low and middle income families.

Child benefits will increase by $400 million a year in a cumulative way. There will be a maximum of $144 a month per child for low and middle income families and a new earned income supplement of up to $500 for the working poor as well as the increases in child care deductions which I referred to earlier.

I believe this will find favour with my constituents who have questioned for a number of years the point of continuing to pay family allowances to well-off Canadians. They will applaud the idea of taking these moneys and instead targeting them for those who are most in need.

Other areas that my constituents have indicated concern about and which I believe this budget addresses are the streamlining of government and expenditure restraint. In regard to the streamlining of government, I am happy to point out that in this budget there will be eliminated, consolidated or deferred about 46 government agencies, many of which have been referred to in this debate and contained in the documents. They are agencies such as the Petroleum Monitoring Agency, the Pay Research Bureau, the Law Reform Commission, Canadian Institute for International Peace and Security, the Economic Council of Canada and so on. As well, there will be a consolidation of a number of departments

and agencies in order to save overhead and to focus resources.

I have just one example. Right now, there is the Patent Appeal Board, the Trade Marks Opposition Board and the Copyright Board. These will be merged into a new intellectual property tribunal. A number of advisory councils are going to be terminated. There will be 160 fewer government appointments, 500 fewer employees and savings of $22 million a year.

The government is going to continue to privatize those Crown corporations which are not serving an essential public purpose. It is going to sell surplus land at various places and properties abroad that are no longer needed. I believe these are initiatives which reflect the wishes of Canadians as expressed to members of Parliament.

In regard to the restraint of expenditures, the Expenditure Control Plan which was announced in the budget in 1990 and enlarged last year will be carried forward. As a result of the defence review and taking into account the conditions, the startling events, especially in the former Soviet Union and eastern Europe, we will be able to reduce the commitment to the armed forces and defence spending will be cut by over $2 billion over the next five years.

As well, the non-wage operating budgets of government departments will be cut by 3 per cent which will save $150 million next year and $800 million over a five-year period. This is on top of the wage restraint measures which are well known to Canadians. All in all, these are measures which answer the public need.

As well, listed in the budget are a number of actions for investment initiatives and jobs. The manufacturing and processing sectors have been hard hit. A fifth of the Canadian economy and jobs depend on this area. As a result of globalization, as a result of intensive international competition and world-wide recession there have been difficulties. The world economy is profoundly changing. The barriers to movement of goods, services, capital and information are coming down everywhere. Industry all around the world is restructuring to take advantage of new opportunities. The Canadian work place, like others elsewhere, is being transformed.

• (1800)

Mr. Speaker, I realize the time restraints. I simply want to point out that the manufacturing and processing sector is one which is in intense competition with the rest of the world. We owe it to that sector to modestly reduce the income tax rate applying to it from 23 per cent to 21 per cent, to increase the rate of depreciation on processing and manufacturing equipment from 25 per cent to 30 per cent. This will put the manufacturing and processing sectors of Canada in a better position to compete, along with the imposition of the GST, which will relieve those sectors of the unfair burden of paying sales tax input costs.

These measures together will help to ensure the competitiveness of our manufacturing and processing sectors compared to those in other nations which have similar tax regimes.

I believe this is a very realistic budget for the times. It is, I think, an answer to the requests of Canadians who want to see restraint on the part of government, who do not want to see new taxes and who want to see moneys that are put out universally, targeted instead toward those who most need them.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, it is a pleasure for me to stand in the House and speak today on the budget. I am very pleased to have this opportunity because the budget can have a very special and positive impact on the business opportunities that could come to my riding.

I want to applaud the Minister of Finance on the measures he announced in this budget. As has been noted by most everyone throughout this country, it is very positive. The general tone and direction that it takes is right. It proposes realistic, long-lasting solutions to our country's economic problems. It does not propose quick fixes, which is something that is very important to Canadians, and they have responded positively to that. It also represents a commitment by our government to adjust to the same economic realities which Canadian

households and businesses face each day. That is why so many people can relate to this budget.

Of course it means belt tightening, responsible management, not simply carefree, wanton spending. It responds to the desire to have a more expansive economy and a less expensive and more efficient government. We must constantly and continually work to that end.

Canadians across the land are telling us that they want a more efficient government. They want a less expensive government and they want an expansive economy that has some long-term structure to it.

In my mind the budget delivers on a number of fronts. It delivers on what Canadians have told us in our consultations across the country, including the residents of my riding. I have received letters from organizations and people in my riding of Sarnia—Lambton thanking me for taking their thoughts forward because their suggestions ended up in the budget.

The equation to help boost our economic recovery is really simple in this budget. The federal government is cutting spending to cut taxes. I think it was a real surprise to the opposition that we were cutting taxes. Sometimes they have a little bit of trouble responding to that but it is what Canadians are looking for and certainly we have given them a very strong message that we are doing that.

Local residents are concerned also about the spending and the size of government, as I said, and we are responding to that.

The budget outlines measures to restructure, to streamline and to improve the operations of government. The budget proposes to cut spending, just the opposite of what really has gone on in the past. It will be cut by $1 billion this year and by over $7 billion in the next five years. It is very important to Canadians to see that. It seems to me it is quite the opposite in some of the submissions I have heard from across the way today. They are saying that we should be spending more money on this or we should be spending more money on that. That is not what Canadians are saying.

Turning to defence spending, we are going to take advantage of the peace dividend for Canada. There will be a substantial peace dividend for all of us and we will be able to cut the spending in defence. That is very important.

Residents in my riding like all Canadians are concerned about taxes. They do not want to pay more taxes. They are concerned about the taxes that they are paying and they understand that that comes from this increased and ever-increasing spending of government.

As I noted earlier, personal income taxes will be cut. Over 14 million individual taxpayers will enjoy higher disposable income as a result of this budget. Having higher income means there is more disposable dollars. Those disposable dollars help the economy because people have to buy if we are going to stimulate manufacturing. These reductions will put $500 million back into the hands of the taxpayers this coming fiscal year. That is very important. The total benefit will increase to almost $1.2 billion in subsequent years. That kind of injection of money back into the economy certainly will help.

My constituents looked also for a cut in the deficit. The government has made a commitment to address the deficit. Despite the economic slowdown, the government had held the deficit and will reduce it by up to $4 billion this coming year. Certainly we are moving on the right track. Canadians are saying they want this done, and we are responding.

I am particularly encouraged by the assistance to the local petrochemical and refining industry which is certainly a very important industry in my area of Sarnia—Lambton. It is a major industry there. It is a very capital intensive industry. It costs a lot of money to build those plants.

In this budget the federal government has moved to reduce the tax burden for the manufacturing and processing sectors which will include the petrochemical and refining industry. The budget proposes these important changes. The basic corporate income tax on manufacturing and processing will be reduced from 23 per cent to 22 per cent on January 1, 1993. It will also go down to 21 per cent on January 1, 1994.

There is another very important one, the capital cost allowance rate. That is the opportunity for companies to write off this major investment that they make, especially in the petrochemical industry. To build a world scale petrochemical plant today costs up to three-quarters of a billion dollars and takes up to two years. Certainly they

have a very heavy capital investment and they want to be able to have the capital cost allowance. They did want it changed.

I had representation made to me by constituents who represent the companies in my area. They said to me: "If we are going to have new world scale plants built in the Sarnia—Lambton area to produce world scale production for North America then the after tax situation needs to be changed. We would like to see some change in the capital cost allowance".

I want to let my constituents know, and also you, Mr. Speaker, and my colleagues in this House, that I took their representations. I took representations from Canadian chemical producers and I made my representation to the Minister of Finance. I indicated that this was the kind of change we needed to attract investment, to have the write-off. I indicated that the capital cost allowance had to be changed to a higher rate. The Minister of Finance listened and responded by including this in the budget. I want to thank him for listening and responding. That is as tremendously important as it is for a lot of other areas too, but especially in the high capital intensive industries like we have in Sarnia—Lambton.

Additionally a couple of other important areas were added to help with the building of new world scale plants in my area. There is a reduction in the tax rate that will help us, but also we have the reduction of the withholding tax rate on direct dividends to 5 per cent. This will also encourage investment.

• (1810)

A day or so before the budget was announced the government was to reverse the order of the credit currently provided for large corporations tax especially in part VI, the tax on financial institutions, the corporate surtax and income tax. That is another complicated tax. Those four areas will mean substantive changes to after tax situations for investments by multinationals in the petrochemical and refining industry.

We also need the provincial government to assist us in this area. We are saying that we have made these substantive changes. We are asking the province of Ontario not to move into that tax room. We are also saying: "Hey, you come on board and give us a hand. Make some changes now in the after tax situation". I think Premier Rae is hopefully interested in working for this. Then Sarnia—Lambton and other areas—of course I am particularly interested in Sarnia—Lambton—will attract new world scale petrochemical plants to be built there. There is a major plant in the offering and we are competing with Texas for this plant.

A combination of the kinds of changes we have made and the after tax changes that hopefully the province of Ontario can make will provide with us a greater opportunity to have investment, which means a world scale plant, which means jobs in Sarnia—Lambton, jobs for Canadians.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I certainly wanted the debate to go forward until I heard the member suggest that Bob Rae should lend the government a hand when in fact the federal government slaps the provincial government. The member would know that over the course of three years the transfer payments will be reduced by $10 billion. How does he anticipate lending a helping hand when that kind of reaction from the federal government to the provincial government is in place and has been in place with the cap on CAP and the cap on transfer payments?

He would know because I am sure it is happening in his riding as well as mine that hospital beds and hospitals services are being reduced. Teaching staffs are being hit right across the board. How can he possibly suggest that the provincial government should lend a hand to the federal government when the federal government is battering provincial governments?

Mr. James: Mr. Speaker, I am very surprised by that statement. I do not think Premier Rae is reacting in that manner. Certainly my provincial colleague in Sarnia who is a member of the NDP is not. We are acting as a partnership in moving ahead to do the kinds of things to attract investment. The member may want to be partisan, but my colleague and partner, the MPP for Sarnia, is not reacting in that way. He is working very hard, as I think the province of Ontario will be, not to change and move into the tax room but to look at ways they can be helpful in working with the federal government to attract the major kind of build we are talking about in Sarnia. They are some very major builds that will provide jobs.

The province of Ontario is as interested as the federal government in providing jobs. I would think the member, though I suppose late in the day, might want to get into some partisan rhetoric. Knowing him personally I am surprised at that statement. He can make it, but I do not think he is speaking for the Government of Ontario because I would think that its thinking is somewhat different from that.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, today I welcome the opportunity to speak on the budget introduced by the Minister of Finance in this Chamber on February 25, some 15 days ago.

We have now had ample time to review, to analyse and to discuss the provisions in that budget and what it means to us and to our constituencies.

I have heard during the debate in this House and in conversations I have had in my constituency that the response to the budget is not very good. The message from northwest Saskatchewan which I represent is very simple and I can relate it very quickly to members of this House.

The government must be aware that regional resource based economies like ours in Saskatchewan require greater attention than that which it is receiving at this time. The problems in the national economy have a greater impact on the west and therefore the root causes of the national problems, that is the GST and the free trade agreement, must be addressed and they have not been addressed in this budget.

If we scrap the GST and get out of the FTA we will all be better off. That is a message that comes from my constituents in The Battlefords—Meadow Lake. I have to mention that the government opposite had better prepare for greater agricultural support during 1992–93. I am glad that the Minister of Agriculture has indicated to me his desire to listen to my words today.

As I have already said in this House, this budget does not address the financial problems faced by agricultural producers on the prairies. The uncertainties that exist in the countryside and in the world marketplace will lead to further calls for agricultural assistance during 1992. The government is foolish to think that it can avoid programs like the interest-free cash advance and deficiency assistance programs this year.

Earlier this week, in fact on Monday, I made a brief statement in the House of Commons concerning one small provision in the budget, that is the provision relating to the removal of the excise tax on the ethanol portion of blended fuels. I want to take half a minute to expand on the comments I made on Monday, elaborate a little on the statement I made, and indicate my support to the Minister of Agriculture and others on the government side for the moves that have been made on ethanol.

I want to do this because I am quite impressed with what I see as the future for ethanol in Canada. It is a future that can help provide for a cleaner environment and greater economic benefits for smaller, rural based communities like those that make up my constituency.

After the introduction of the budget I had great pleasure to tour the Poundmaker ethanol plant and feed lot at Lanigan, Saskatchewan with a group of people from Big River and Debden, Saskatchewan, two communities in my constituency. During that tour we learned a lot and recognized that with the right economic climate similar plants could be located in numerous communities in Saskatchewan and across Canada.

The advantages are almost too numerous to mention but in a moment I will try to outline a number. Ethanol is not a new product. It has a number of useful purposes, but what we are most interested in at this time is its use as an automotive fuel enhancer.

Some members in the House today may recall that when Henry Ford designed the Model T he had expected it to be powered by ethanol, a fuel made from renewable biological materials. However gasoline powered engines took over and ethanol has been an industry trying to get off the ground ever since. Its time has come and I think it is time we all recognize that Canada would be well advised to get into the act of producing ethanol immediately or risk losing the opportunities to the Americans.

Already dozens of ethanol producing plants have sprung up in the United States. Some state legislatures have even passed bills making ethanol blended fuels mandatory. As a result ethanol blended gasoline now accounts for about 9 per cent of total U.S. gas consumption.

The use of ethanol blended gasoline fuel has been actively encouraged in the United States because it helps to reduce U.S. dependence on oil imports, that is a 10 per cent blend acts as a gas extender. Ten per cent ethanol means that there is 10 per cent fuel oil left over for use elsewhere. It addresses a number of environmental concerns including, first, emissions and, second, it lessens the environmental hazards of fossil fuel exploration, extraction and transportation. Also, the U.S. is actively encouraging ethanol production because it provides a market opportunity for surplus agricultural crops.

• (1820)

The Poundmaker plant that I visited, for example, uses a starch heavy, not protein heavy, grain as its stock, while other plants in Canada will use corn instead of wheat for its feedstocks.

The value of ethanol as a fuel increases every day because of the world's concern for the environment, the health of this planet, its people and its wildlife, and the need to seek alternatives to the megaproject mentality that has limited job opportunities for people in this country for too long. This means there are sound economics as well as sound environmental reasons to get into ethanol production. As I see it, there could be six basic economic reasons to support a change to ethanol.

First, the high octane-blending value of ethanol makes it an excellent replacement for the octane enhancers with known or suspected health concerns, now widely used in Canadian gasoline following the removal of tetra-ethyl lead by legislation here in Canada. Ethanol can substitute for aromatic hydrocarbons, which includes MMT, a compound containing manganese which, like lead, is a potential neurotoxin and accumulates over time in the environment. MMT already is banned in the United States.

Second, the Government of Canada projects that by the mid-1990s Canada will be importing about 550,000 barrels of light crude oil per day by tankers to meet transportation fuel needs. This is even with the added supply to be created by the new megaproject developments. This importation will cost about $5.5 billion a year, assuming a global crude oil price of about $27 a barrel due to increasing dependence on OPEC imports.

Third, the cost, financial and environmental, of megaprojects is too great for enhancing Canadian domestic supplies of light crude oil. Fuel ethanol compares favourably, in both capital and operating costs of production, to Hibernia and the tar sands projects, which can only proceed with a lot of government assistance.

Fourth, the abundant supply of Canadian grain is available for fuel ethanol production and is renewable, endlessly renewable.

Fifth, the by-product of ethanol production from grain, which is a high-protein livestock feed ingredient, could be used to replace Canadian imports of high-protein feeds.

Sixth, and last, the effect of ethanol additions to gasoline on environmental quality is incredible. Its potential to reduce net carbon dioxide emissions into the atmosphere is considerable.

There is great concern about global warming in the country. Among the greatest contributors to the problem of the greenhouse effect is the burning of fossil fuels. By adding ethanol to those fossil fuels burned in automobiles, the amount of carbon released into the atmosphere is reduced substantially.

I am a member of the environment committee's subcommittee on acid rain. Because we are looking at air qualities and emission problems, I will be recommending that our committee take a look at ethanol production and its use during its work over the coming year.

I know you are signalling me that my time is almost up. I want to add in closing that the budget's removal of the excise tax is a step in the right direction but the journey is far from complete. There has to be a further federal commitment to the ethanol industry, and that includes a commitment to promote the product as well as to legislate in the product development.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the obvious question to the member is simply this: After listening to him, I have come to the realization that he does not have a whole lot of criticism of the budget introduced February 25. Is the member willing to support our budget based on his observations, particularly in his own riding? Obviously there are some positives in this budget for his riding, his part of the country. That is the question.

Mr. Taylor: Mr. Speaker, in order to address the budget adequately, I need about an hour and a half of the House's time to discuss all of the things that I find wrong with the budget.

What is very important to me are the two lines the government put in an otherwise very long and difficult budget. Two lines indicate a desire to move in the right direction as far as energy and the environment is concerned and relating to the production of ethanol.

If I can take one moment of the House's time to add that I do believe that the government should be actively involved in the legislative process regarding ethanol. A mandatory 10 per cent blend is part of a legislative process in the United States. I believe this government must take the same steps here in Canada. In fact, we should see the government legislating mandatory blends for Canadian ethanol production here in Canada. We would see the potential of creating up to 3 billion litres a year of ethanol if we were to ask for 10 per cent of the 30 billion litres of fuel oil consumed in this country per year.

I will be actively asking the government to consider moves in this direction.

The government's budgetary moves were a signal to the industry that the government wants to take steps in this direction, a signal to the industry and the country that ethanol is a product that should be supported. I want the government to understand that if it takes steps to assist the communities involved in ethanol development, and the industry itself, it will have support from this corner.

Mr. René Soetens (Ontario): Mr. Speaker, I would also like to ask the member a question in light of the very positive comments he made about the benefit to his riding of this tax or of this budget and the clear benefits that will occur to many of the members from Ontario who are part of his party that represent automotive ridings.

There is a reduction in the income tax for automotive companies, a reduction in the capital gains or capital cost allowances, the reduction in the dividend withholding tax, all of which are very good employment creation ideas for NDP-held ridings in Ontario. I wonder if in light of the fact that it is good for his riding in Western Canada and in Saskatchewan and it is good for all his colleagues' ridings in Ontario if he is now going to rise when the occasion happens to vote on the budget to support the budget as he should, based on all of the good things that are in it?

Mr. Taylor: Mr. Speaker, I cannot give the hon. member the answer which he so desperately wants to hear.

I am signalling support for a small measure within the budget that I otherwise find distasteful and most difficult for us to accept. I indicated there will have to be measures taken like the interest free cash advance again this year for farm producers in Saskatchewan and elsewhere. I have indicated in my response on this ethanol matter that community-based assistance is the type of economic development assistance that the government must be involved in. When producers on the prairies or in Ontario get together to form co-operatives to develop ethanol plants, the government should be there to help them with the start-up costs to ensure that the benefits from such production come back to the communities and support community employment activities.

These are the kinds of things the government should be moving on to further the development it has started in those couple of lines in this budget.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, first of all, I want to congratulate my colleague for the excellent lesson on ethanol.

• (1830)

Obviously he has a tremendous amount of expertise that he wants to share with the members opposite. I think his philosophy is that if you have nothing positive to say about something do not say it.

I would like to follow his philosophy but I did have a few negatives written down so I may have to be slightly negative as my time wears on. I do want to start by being positive. I am going to quote several excerpts from a speech given about a month before the budget came out. I must admit that I am going to quote out of context.

"We must have a short-term plan to address our immediate needs and heat up the economy. We need a long-term plan to keep the combustion going and to guarantee our place in the world economy". Skip a paragraph. "Further, for the untold number of hard-working, responsible workers and businessmen and women who have been forced to go without needed bank loans—" I will talk about banks later on— "the banking

credit crunch must end. I have directed cabinet departments and federal agencies to speed up pro-growth expenditures as quickly as possible. This should put an extra $10 million into the economy in the next six months and our transportation bill provides more than $150 million for construction and maintenance projects that are vital to our growth and well-being. That means jobs building roads, jobs building bridges and jobs building railways. I said my plan has two parts and it does, and the second part is the heart of the matter for it is not enough to get an immediate burst. We need long-term improvement in our economic position".

These are excerpts from a speech made by President Bush. I only wish that the Prime Minister and the finance minister had used some of the content from the President's speech as they so often do. They are wont to follow the President on a very regular basis. This is one time they did not and perhaps they should have.

To continue in a positive way. This is not a bad budget. It is not a bad budget in good times, but these are bad times, terrible times. The "R" word is almost a "D" word. It is a budget that has a little bit of something for just about everybody. I call it a tinkering budget. You tinker here with the system, help somebody over here and take away over here. However, the system and the country need an overhaul. There are 1.5 million people unemployed, personal and business bankruptcies are at record levels, welfare case loads were up 32 per cent in Ontario in January 1992 compared to 1991, 32 per cent. The number of individuals collecting UI in November 1991 was 486,000, up 23 per cent over November 1990. The number of individuals who have exhausted their UI is 32,500—this is just in Ontario—up 111 per cent over November of the previous year. One and three-quarter million people ate at food banks in this country in one year.

How could one continue to be positive? I salute the member for The Battlefords—Meadow Lake. He avoided the budget because it was so difficult to proceed in anything positive. What will this budget do for those people I have cited? Absolutely nothing. The transfer payments from the federal government to the province of Ontario, one of the so-called have provinces, the cap on CAP and the EPF transfer payments will result in a $10.5 billion reduction over three years.

It is a pass the buck budget but there are no bucks being passed. There was nothing passed to the provinces. What do the provinces have to do? They cannot pass the buck to the municipalities. The finance minister has the gall to lecture Premier Rae saying: "I hope he follows our path". What does he suggest we do? Close the hospitals completely, cut out the education system? He is saying: "We are practising restraint and we want you to follow our lead". Does he want to practise what John Engler has done in Michigan? He basically cut the welfare system and said: "People get out on the streets. Live in tents. It is not a problem".

Even one of those folks who is a supporter of John Engler, the governor of Michigan, says: "Well, pulling the safety net probably will not be a money saver". He pulls out a study from a brief case and throws it on the table. He points out research that says: "Five per cent of those cut off welfare, if they end up in prison and another 5 per cent end up in mental institutions, the state will pay out more than it saves in welfare payments". In fact, says Hollister, an aide of John Engler, in a steady voice: "Cutting people off welfare was not an economic decision, it was an ideological decision. It was an abandonment of the social contract". Because the federal government abandons the social contract it then says to the premier of Ontario: "Do the same thing. It does not matter about these people, allow them to live in tents. Cut back medical services in your community".

I am sure that all of our communities are suffering those medical cutbacks. Staff is being cut in hospitals and schools right across the country. Is that acceptable? I think not. That is what Canadians in my constituency are telling me. The Prime Minister and the finance minister have passed that buck but they have not passed the money. They have soured federal-provincial relations, federal-Ontario relations when they should not be doing so. They should be begging to co-operate. The government should be promoting a spirit of co-operation rather than saying: "Follow our lead, look what we have done, look at the wondrous things we have done".

I suspect that the provincial government will not follow the federal government. The federal government is crossing this country as it is wont to do every month or so with a prosperity agenda. The committee came to my city, and I believe there were 12 people there. It described how to become more competitive: "You know, all we have to do is retrain our people. We have to retrain them. That will make us more competitive". What did the government do in the budget? It said that

we have to reduce job training by $100 million. Now that will make us more competitive. It should have taken a positive step because nearly everyone in this country—and if its members are indeed consulting those in their constituency the government would have invested in the infrastructure of this country.

Several years ago the price tag was $15 billion. It is now $20 billion. I hope we do become prosperous again—and I suspect we will. I long for those days and I am sure all Canadians long for those days. If we do not have the infrastructure to support a prosperous economic situation—will our infrastructure be able to support it? Is it possible? A hundred and some communities are still pouring raw sewage into the waterways of this country, is that acceptable? If we did not do it in good times we are not going to do it in bad times. When are we going to do it? There was a great belief that this was the time to do it, everybody was onside and prepared to participate. The only non-participant was the federal government.

This budget is a maze. I think it is too positive to say that it is smoke and mirrors. It is a maze that leads from one spot to another. On one hand the government will do something for you and on the other hand it will take it away. It has increased the education tuition credit for students and parents from $60 to $80 a month and in the same breath it removed the 60-day grace period to pay back student loans which existed prior to the budget. Give with one hand, take with another.

Disability credits have been increased for those who are disabled in this country. Give with that hand. With the other hand cut out co-op housing to house disabled people. The family allowance has been removed. The government says: "We are going to increase your child tax credit". If you work it out, and it has been worked out by Mr. Shiffrin, *The Toronto Star* social affairs writer, the amount that is given will amount to the very same amount. Those most in need of it will get less. It is the working poor who will be helped and we praise that, but again it is an attack on universality.

I want to speak for the last 30 seconds on banks. The government has done something for small business, that is again a positive. However the banks in this country have a tight money policy. George Bush says they have it in the United States but the banks in Canada make the banks in the United States appear like Mary Poppins. They are squeezing the small businesses in this country.

• (1840)

If any member goes out in their constituency and asks, that is exactly what small businesses will tell you. Banks are not only squeezing, the small businesses say: "I will not talk to my banker because I am afraid". The budget is terrible. I rest my case.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I have a very short question to ask the member.

Will he not agree with me that this government is going across the globe spendthrifting? It is going across the globe saying to everybody: "We will give you this, we will give you that". The Prime Minister is acting like he is a wondrous human being. He went to Paris and he let them have a drawing for $1 million. Will the member not agree with me that charity starts at home and this is where we should look after our children, today and not tomorrow?

Mr. Butland: Mr. Speaker, it may have begun as a simple question but the answer could be very complex. I think that all of us in here believe that charity does begin at home, but we cannot ignore charity overseas.

For instance, if the banks forgive loans to Third World countries we can be assured that they have already received the principal on those loans. They may be forgiving the interest. Do not worry, the banks have gotten their share. Also, they are able to sell off this Third World debt.

I suspect I could go on for a long time with that answer. It started out simple but the answer is complex.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I wanted to comment on the member's reaction to the transfers to the provinces.

I would like to debate that point and that point only in relation to the figures. He represents one of the richest provinces in Canada, that being Ontario. I want to

examine the figures in the last number of years of the transfers from the Government of Canada to the province of Ontario.

It is interesting to note that the average annual increase from 1984–85 to 1992–93 in growth of those transfer dollars to Ontario has been an annualized one of 6.2 per cent. We are looking at a total increase from 1984–85 to 1992–93 of $3.7 billion.

On a per capita basis it is a transfer of approximately $283. I cannot see the logic in his argument. I know he is projecting ahead to what they might or might not get, but those are merely projections. The truth is that we are going to continue to increase our support to the provinces.

I hope the member will address that.

Mr. Butland: Mr. Speaker, I would be happy to address the problem.

I think the member is, as we all do, using statistics to his own advantage. I suspect I may be guilty of that at times too. However he has to get real. Everyone keeps saying that Ontario is a wealthy province.

Any members from Ontario will tell you just the opposite. Sault Ste. Marie is one community that is desperately hard hit. He throws statistics at me but the number of people who have exhausted their UI in the past year, just over the past 12 months, is up 110 per cent. That is a staggering statistic.

He throws these global figures at me and asks: "How do you react to these hundreds of millions of dollars in increases?" That may very well be true, but it does not begin to address the real problem. That is the problem with the members opposite. They are in some imaginary world saying: "We are listening to our people. Do you know what they are telling us? We are doing a great job".

That cannot possibly be true. I know the member is a very sincere individual but I think he is trying to deceive the House. I retract that, Mr. Speaker.

Miss Deborah Grey (Beaver River): Mr. Speaker, I rise today to convey my sympathies to the Minister of Finance on this recent budget. I can only imagine what a horrendous job it must have been trying to repair an economy that unfortunately his own government has virtually destroyed. No doubt the minister has done his best in trying to produce an effective budget. I cannot fault him for that. But as the Canadian Chamber of Commerce has said: "The budget falls short; it is simply not good enough". The chamber could not be more correct in its analysis.

This budget attempts to be all things to all people and in so doing does nothing for anyone. In short, this budget is a non–event, there is no significant attempt to either reduce spending or stimulate the economy.

In a recent *Maclean's* article the Minister of Finance has said: "If the Reform Party supports the budget that is fine. I guess the important thing is that we (meaning the Conservative government) are here and we are able to implement these things".

First let me say unequivocally that the Reform Party cannot support this budget. Second, I would like to ask the minister what he means by being able to implement these things. What things? Is he talking about implementing the so–called spending cuts mentioned in the budget speech?

Are Canadians supposed to be impressed that the government has cut spending increases only, not actual spending? Canadians are looking for real reductions in government spending, not simply a reduction in the percentage increase. In fact, the government's program expenditures are forecast to rise by 4.7 per cent in fiscal 1992–93, well in excess of the 2.7 per cent inflation rate we are experiencing now. This represents a real increase in spending, not a reduction as the government would have Canadians believe.

It would be unparliamentary, of course, that I cast aspersions and say that the government, perhaps, is lying to Canadians about spending reductions. So I could not and would not say that. But how can Canadians have any confidence that this government is serious about deficit reduction when spending is actually on the rise. This government's projection for 1992–93 expenditures represents a real increase of $4.1 billion or 2.6 per cent.

The 1991–92 deficit is nearly a billion dollars higher than previously forecast and the 1992–93 deficit, now forecast at $27.5 billion, is also significantly higher than had been predicted in earlier budgets. What we have in effect is a government that every year paints a picture of declining deficits and every year fails to deliver on this promise.

How much longer can Canadians tolerate the failure of this government to actually reduce the annual deficit? Not much longer, I would argue, especially when the accumulated total debt is approaching half a trillion dollars. That is right, Mr. Speaker, half a trillion dollars, edging in on $500 billion that we are in debt. It is time for the government to take action on this economic crisis before it is too late. The government's tired excuse of "we will get the deficit down next year" simply will not cut it with Canadians any longer.

Part of the rationale for the government's deficit reduction projection is its overly optimistic economic forecast. While I have every confidence in the entrepreneurial spirit and work ethic of Canadians, I have serious reservations about the government's forecast of real GDP–GNP growth achieving 4.5 per cent, as we have seen in the budget papers for 1993.

This is a rather bold prediction and Canadians can, therefore, only hope the government is accurate in its analysis. If the government has over–estimated this GDP figure, inevitably it has also over–estimated its ability to reduce the deficit. Moreover the minister has built his budget on the foundations of a very low inflation rate. If he is wrong, if the inflation rate increases and if high interest rates follow, the foundations will give way and the whole structure will collapse.

The government expects this phenomenal growth to be led by a strong increase in residential construction and consumer spending in response to lower interest rates. But what has the government done to encourage construction and consumer spending? The short answer is very little.

Under pressure from the Liberal Party to accept its one and only idea to stimulate the economy, the minister threw in a token homebuyer's plan that would allow Canadians to use existing funds from their registered retirement savings plans to buy a principal residence. Under this plan, individuals may withdraw up to $20,000 to buy a home and would have to repay this amount within 15 years. Is this the best the government could do? Or should I say is this the best the Liberal Party could come up with to encourage growth in the economy? Perhaps it is just a bad joke.

I do not want to condemn the government for absolutely everything that it has done. There were some positive moves in this. But one does have to answer the question, does anyone in his or her right mind think that this plan is going to pull our economy out of the recession. I cannot think of anyone who has been putting money into their RRSP in anticipation of a magnanimous gesture by the government.

• (1850)

It would also seem to me that anyone who has $20,000 in their RRSP fund more than likely already has a principal residence. The converse of that is true as well, that young families that want to buy a house and are prepared to do so do not have a lot of savings in their RRSP. I wonder where this great infusion of capital into the housing sector is supposed to come from.

The most disturbing element of this proposal, however, is that the government is telling people to use their retirement income to buy a home in what is already a very uncertain market. The government has already mortgaged the future of Canadians through the public debt and now it is asking them to mortgage their future privately as well through their RRSP plans.

There is absolutely no guarantee over this 15 year payback period of what interest rates will be and I think people are very nervous about taking that money which was safe in their RRSP fund out to put toward a mortgage.

Perhaps the government believes that consumer spending will increase because of an insignificant symbolic personal income tax cut. The Canadian Chamber of Commerce has concluded, and I quote: "That small personal tax reduction and the provisions to encourage business would be too small to have a meaningful impact in stimulating growth, yet large enough to call into question the real strength of the government's commitment to deficit and debt reduction."

According to the government's own figures, a single taxpayer earning $30,000 will receive a tax reduction of $76 in 1993. I wonder if this single taxpayer is going to be terribly excited in receiving this generous tax break after having been hit by the GST last year.

What the government is effectively saying through this measure is that the GST is making them so much money that a tax reduction of such minuscule proportions will not adversely affect revenues. The government is taking a dollar from every Canadian in the form of the GST and

then handing them back a penny saying: "Here is your tax reduction".

The government has also neglected to mention the fact that personal income taxes as a percentage of total federal spending have increased from 41.2 per cent in 1984–85 when this government took office to 47.7 per cent in 1992–93. This indicates that more and more the government has been shifting the burden of federal spending on to the backs of the middle class.

This so–called tax break is much like the government's attempt at spending reduction. These policies are designed to have Canadians believe that taxes and spending are actually being reduced but in reality both taxes and spending are actually increasing.

To be entirely fair to the government, however, as my colleagues have been saying, there are some good things in this budget for which we need to give them credit. One of the areas that I would like to give the government credit for is adopting the new child benefit. This new benefit finally targets child supplements more fairly to low and middle income families. The government must have been reading our Reform Party policy book where it states: "The Reform Party supports greater focusing of social policy benefits. We prefer to target benefits on those who need the help and do so in a rational and compassionate manner."

It is about time the government woke up to the need for this type of efficient method of providing for social benefits rather than clinging to the NDP dogma that allowed high income earners to receive family allowance cheques regardless of their need. Sometimes I wonder if the New Democrats really mean what they say about helping the poor. Why do we not target benefits to the poor rather than having those of us who are very comfortable in our income bracket still collecting government money when it is totally unnecessary?

At any rate, the government is certainly moving in the right direction with this new consolidated child benefit.

My only question is this. If this new benefit is to be streamlined and more effectively focused as the government says it is, why will it cost taxpayers an additional $400 million per year? I thought the government said it was reducing expenditures, not increasing them.

Besides this new child benefit, the government has also attempted to appropriate other Reform Party policies in this budget and nobody says it more clearly than the press because they know what is going on and it is very interesting to read what some of their articles say. I say attempted because the government has not really done the things that it says it actually has. Take, for example, this budget's privatization initiative or streamlining as it is referred to in the budget speech. The government is obviously gearing up for an election so that when the time comes it can go to the Canadian public and say: "Oh look, the Reform Party has nothing on us. In this last budget, we wound up, deferred, merged and privatized 46 government agencies, boards, commissions, corporations and advisory boards."

This all sounds very good on the surface, but when you look a little closer at what they are talking about, you really begin to see how insignificant many of these agencies actually are. CN (West Indies) Steamship Limited is a good example. Apparently it hardly exists except on paper. I ask then, how can the government "wind up" something that actually wound up a long time ago and then go back to the Canadian people and tell them about the government's great efforts toward privatization.

The real question should be this, why is CN (West Indies) Steamship Limited still on the books in the first place? Are Canadians supposed to be impressed that after seven and one–half years the government has finally awakened to this fact. I think not. I am quite sure Canadians see through this transparent budget and the veil of responsiveness to the Canadian people, but unfortunately, a veil only.

To conclude, let me say this. The government has promised spending reductions. In reality, we have seen spending increases. The national debt is now approaching half a trillion dollars, as I mentioned, and this budget does almost nothing to deal with it. The government says: "We are cutting $1 billion.".

Neither has this government done anything to actually stimulate the economy. The best it could come up with unfortunately is a half–baked scheme for a limited

number of people to use their RRSP money for buying a house.

Unfortunately, this budget provides no leadership whatsoever and that is what Canadians are crying out for more than anything else. Perhaps the government would now consider seriously stepping aside so that real leadership may be gained and the people of Canada given a budget that they can actually live with and be given some optimism as we move towards the 21st century.

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, I note my hon. colleague's suggestion that leadership should be given. I listened intently through the whole 10 minutes of my colleague's address. I did not hear one suggestion where reductions should take place.

I did not hear a criticism in specifics to the increase in government expenditures in agriculture. I know her party's policy is an over–all reduction of 15 per cent of all government expenditures instead of an increase in agriculture and instead of an increase in child benefits of some $400 million, which she criticized. I would like to ask her what she would have cut to address that $400 million. What would she would have reduced beyond the 15 per cent to have an increase in agriculture, an increase in the other expenditures to make up for the reduction in government income with lowering taxes. That has to be a benefit to the people of Canada.

The other thing I would ask the hon. member is if she could identify what her party would have cut and what her party would have put forward if it had the opportunity to lead.

I know her leader has turned down six invitations to appear before the Standing Committee of Finance to explain this presto magic that he is prepared to work for the Canadian public. I will sit down now, Madam Speaker, and allow the member ample time to explain the cuts that the Reform Party would put in place in old age pensions, old age security and assistance to agriculture and other economic forces in the country.

Miss Grey: Madam Speaker, without sounding facetious, I think as we look through these budget papers, I would recommend probably that the very first place the hon. Minister of Agriculture could make a very significant cut, not simply a 5 per cent cut, would be to his ministerial salary. That is to take place on April 1.

The budget also said that the government would cancel all first class travel seats for members of Parliament and senators. I understand from some of the airline companies that most of those first class seats are actually being taken out on all domestic flights.

I think that is probably a good place to start. I am not sure whether there are first class seats any more on flights back and forth to Saskatchewan. I have not seen any for a very long time on aeroplanes moving in and out of Alberta at any rate.

Those are the types of things that people in the Canadian public are looking at. He asked me about specific places where we can cut. There will be nothing in our blue book that will say there will be 15 per cent cuts across the board. This minister unfortunately is going around the country saying: "There we are. The Reform Party is going to take grocery money away of seniors. It is going to cut hospital beds" Nothing is further from the truth.

• (1900)

In areas especially with agriculture that this minister asks specifically about, we believe agricultural input costs must be lowered. We are talking about lower interest rates. I give this government credit that it has gone down somewhat. There is still a fair spread. We are looking at somehow coming up with negotiations with the GATT that we do not necessarily need to be talking about domestic agricultural policies when we are at the GATT negotiations. We are looking forward to seeing what this government is really going to do at the GATT negotiations rather than flying from Mexico over to Europe and saying: "This is how we are going to address this problem".

We believe that this federal government also specifically could get rid of many Crown corporations. Again, this has been a start in this budget. When we are still running a $27.5 billion debt in this country, it is simply not good enough.

The Canadian public wants equality of sacrifice across the country in the agricultural sector as well as in the public sector, as well as people in the private sector. I am a teacher by trade and I know that many teachers whom I speak with would stand up in this Chamber if they were here with me and say: "I would take a cut across the board if I knew that every single Canadian, if every

sector in Canada were to say that they are serious enough about this debt situation".

Some hon. members: Oh, oh.

Miss Grey: These people may laugh, but I belong to a teaching union. Unfortunately here we are having a problem, but I believe that every sector if they were hit could write on note paper: "We are willing to take a cut right across the board so that there would be equality of sacrifice in every sector of Canadian society". Those are some specifics. I know that the agricultural community needs to deal with this.

We are looking forward in the long term. Farmers are not keen about subsidies. They do not want government handouts. What we do want to make sure is that we are able to see equality of sacrifice in every sector in society. It is unfortunate that I hear the hoopla from the agriculture minister. It sends a very sad signal to every community across the country that really cannot afford to be laughed at any longer.

We are running $30 billion deficits every year. Even teachers are not pleased with that. They understand how important it is to get this debt situation under control. They are teaching the young people who are going to be burdened with such an incredible debt load as we move toward the next century. I do not think anybody would have that.

Mr. John Manley (Ottawa South): Madam Speaker, I listened to that exchange with some interest. Of course, here in Ottawa the secondary school teachers are about to strike, looking for 11 per cent over the next two years. Perhaps the trustees ought to contact some teachers in Alberta and ask them to come down.

I am distressed because the Reform Party does present itself as a different kind of political movement. I listened to a very clear question on what the Reform Party intends to cut and I heard a very long answer containing nothing. There was no explanation of where these cuts are going to fall. Of course, that is the easiest way of avoiding a question known to humankind.

I would be very interested in hearing whether the member for Beaver River would answer two very simple, very clear questions. What government spending specifically does the Reform Party intend to cut and, second, what does the Reform Party say about the supply management systems in Canada, in particular the marketing board system that exists in dairy and poultry in this country? Are they for it or would they dismantle it, yes or no?

Miss Grey: Madam Speaker, I am always interested. I have a great deal of respect for my colleague from Ottawa South and in his critic's position he will be interested as they are riding rather highly in the polls right now. What is going to happen if he were for instance to become the next Minister of Finance? He would stand up in his place right now and say: "I can't tell you specifics until I look at the books". That is most interesting. That is exactly what has happened as they have been sitting in opposition for so many years now. He gets very tired listening to the government carry on about "you Liberals left us with this incredible debt", and so on and on it goes.

Some hon. members: Oh, oh.

Miss Grey: Madam Speaker, we are hearing great shrieks across the way again. I have already said that I think that supply management is an area that is domestic agricultural policy and we are looking at international disputes right now. I believe that many people in the supply management industry would say in all honesty right now that we do not want unfair subsidies. We are looking for very comfortable methods of making a living. People who are continuing to fight against this whole idea of supply management are seeing people at a level who are saying: "We are really looking after you". People in the supply managed industries are saying: "We want a fair shake and we do not want unfair government subsidies". Therefore, I think it would be very interesting.

As I spoke with people who came here for the great rally a couple of weeks ago, they gave very good representations. I think when we look at all agricultural industries, moving down the road, not next Thursday afternoon but down the road, to eliminating and working out subsidies so that we would be on a more fairer playing field with other countries, that is what is important.

I also have to say that a Liberal colleague was dying to get his speech in here tonight and asked me if I would take a shorter amount of time. I certainly was prepared

to do that but I have to apologize to my friend in the front bench here if he does not get a chance to speak.

Madam Deputy Speaker: There are 45 seconds left for questions.

Mr. René Soetens (Ontario): Madam Speaker, I will make mine very quick, because I know the member has been a member of Parliament for about the same period of time I have, all but for a few months. We have the lowest deficit that we have experienced since we have been in Parliament together.

In her three years of experience, we have identified 45 agencies we are closing which is going to cost 500 people their jobs and affect 2,000 in total. Has the member in her three years of diligent work on behalf of her constituents found other agencies she would like to recommend to us today that she would be prepared to see us close down?

Miss Grey: Madam Speaker, I am certainly not prepared to give names of agencies. If this is in fact a serious question, there are many, many areas. I could take the hon. member on a 10 minute walk from Parliament Hill and identify—

Mr. McKnight: Which one? Name them.

Miss Grey: Name one agency. I will do more than that. I will name every federal cabinet minister in this. I would say the best agency we could cut a lot of spending in is trimming this over-bloated federal cabinet from 40 down to at least 25 members. I think that would be a wonderful start.

Madam Deputy Speaker: The time has expired.

[*Translation*]

Resuming debate. The minister will take 10 minutes?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Yes, Madam Speaker.

Madam Deputy Speaker: Very well. The minister has the floor.

Mr. Blais: Madam Speaker, I welcome this opportunity to support the budget brought down by my hon. colleague. Incidentally, I think it is rather interesting to see how skilfully members of the Reform Party avoid taking a stand on the supply management issue.

People who are listening should realize that the Reform Party both objects to and agrees with the Dunkel report on tariffication. According to them, we should abandon Canada's historic position. That is the Reform Party's position, because there was a question about it just now. Unfortunately, we could not get a specific answer. However, Canadian farmers from all over Quebec and especially from Ontario, where the Reform Party— This party is not interested in Quebec, for reasons which escape me, or perhaps I should say its interest in Quebec is limited to getting up on the same table with the leader of the Bloc Quebecois. Both leaders want two Canadas. They agree on that score, but when it comes to telling us how we should run the country, they are not as forthcoming.

Under previous governments, Canadians were often misled by people who promised them proper control of public spending, which was seldom successful because of all the spending they did. We inherited a $38 billion deficit in 1984, which had gotten completely out of control. It is too bad the hon. member for the Reform Party can't hear me, Madam Speaker. It is too bad, but I will mail her a copy of the text.

• (1910)

Since 1984, we have been involved in a fierce struggle to control the deficit. We reduced the size of government bureaucracy and the number of government employees. We made the bureaucracy "lean and mean". I think we have made its operations more effective and, above all, we realized the danger of letting deficits escalate freely. However, we decided against leaving this sinister legacy to the next generation. As the latest attempt to stop the spiralling deficit, this year's budget is a model of restraint, a document that maintains the programs Canadians hold dear while taking the fat out of the government bureaucracy and controlling the deficit.

Thanks to the 1992 budget, Canada will seek to achieve sustainable growth, and we will have laid the foundations for the prosperity of future generations, Madam Speaker.

The budget brought down by the Minister of Finance in this House elicited an unusual reaction from the media: nothing but praise and approval. In the newspapers, on television, observers throughout the country have approved of the direction taken by the federal government. Business reacted positively to the lower tax burden on manufacturing and processing and also, to the stronger support measures for research and development. In a difficult fiscal situation, finding more money

for research and development is an objective in itself and that we did it deserves praise.

Consumers also reacted favorably to the reduction this year and next of individual income tax. The financial community was glad to see the deficit limited to $31 billion, even in this recession year. We made a mistake, it is true; we predicted $30 billion and got $31 billion. That is 0.7 per cent of a $150 billion budget. Compare that to the Ontario government, which is $5 billion out on a $50 billion budget, or 10 per cent. I think that our projections are much better and the results are there to prove it.

As a result of the finance minister's prudence and wisdom, when the markets opened the day after the budget speech, the Canadian dollar made substantial gains on the world's currency markets. Madam Speaker, given such a vote of confidence, does one need more evidence that our government's budget, albeit imperfect, is surely a step in the right direction?

Admittedly the reaction was not unanimous. Some people, including the hon. Leader of the Opposition, said that they were very disappointed with our budget. I dare say, Madam Speaker, that if our government were able to walk on water, I think that the Liberal leader would say that it was because we could not swim. When they see others try to innovate, some people can only criticize and rarely, as we just saw, suggest concrete solutions to help the country improve the situation.

As Destouches said, criticism is easy, art is difficult.

[*English*]

Apparently a contemporary of Destouches, Voltaire, told us as well: "Common sense is not so common". This is particularly true in the Commons. How else can we explain the reaction of the hon. leader of the NDP on the budget. Undaunted by either common sense or economic reason, my hon. friend opposite declared the 1992 budget a massive failure.

It seems that the New Democratic Party would be satisfied only with a veritable explosion of spending following the inspiring example of her friend, the Premier of Ontario. Presumably she is concerned that the resulting bloated deficit would likely mean that Canada's future fiscal policies would be dictated by the International Monetary Fund. Fortunately, however, they are in the minuscule minority. To say that their reactions run contrary to the mainstream would be an understatement.

The merits of this year's budget are clear. It provides real benefits to Canadians through programs for business as well as through measures that help taxpayers where it counts most, their pay cheques. It is a tribute to the skill of the Minister of Finance that at the same time as he has held down the deficit, he has managed to give Canadians a break on taxes.

Taxpayers' after-tax income will increase by $500 million in 1992-93 and by more than $1.2 billion in the following year. Some 14.6 million Canadians will benefit by this cut in personal income taxes. Most important, these tax cuts will not increase the deficit. They are funded by reducing government spending.

[*Translation*]

That was the secret, Madam Speaker. Raising the deficit, borrowing money at the expense of our children who will come after us to maintain Canadians' standard of living and the level of programs is not a solution. It was tried in the past and did not work.

We had to reduce our spending. That may be why we have been unpopular for a year or two, because we said no. People who were used to being told yes for one or almost two decades suddenly were told no by a government that wanted more reasonable spending in line with what the country could afford.

At the same time that the Minister of Finance gave Canadian taxpayers some necessary tax breaks, he resolutely attacked the cost of government. Since no government can ask citizens to tighten their belts without setting an example itself, the Prime Minister and all the ministers in his cabinet have taken a cut, as was just mentioned.

Since my time is going very quickly, Madam Speaker, I would conclude by stressing an important point in the budget.

We have been criticized for attacking the sacrosanct principle of universality, as was mentioned several times. I think that we must approach this question in the most open-minded way. Indeed, we used money that went to the wealthiest in society and use it now for those in greatest need. I believe that it was necessary. We did it. It will give $500 million more to the neediest families and

workers. This reform of family benefits is an outstanding success.

Madam Speaker, I still have a very long list of the benefits of this budget. In closing, I think that we must all applaud the Minister of Finance and support him most warmly.

Mr. Gaby Larrivée (Joliette): Madam Speaker, I am very pleased to participate in the debate on the budget tabled by our government for the 1992–93 fiscal year.

First, I want to thank my colleague, the Minister of Finance, for a budget that takes into account the concerns of the population of Joliette and of all of Canada.

Last January, during the Christmas recess, I had the opportunity to meet several of my constituents. These people told me about their main concern, namely the economy. They told me that the government should reduce its expenses and learn to live according to its means. They also told me that they felt overburdened with taxes. Today I can tell my constituents that the government listened to them.

Madam Speaker, we cannot review this budget without taking a quick look at the way the previous federal government managed public moneys in the last 20 years.

• (1920)

The deficit that Canadians have to live with did not simply appear. This deficit is the result of bad management that started in the mid-seventies and went on until the mid-eighties. From 1975–76 to the 1984–85 fiscal year, Canadians watched their government incur operating deficits that increased year after year, going from $2.25 billion to more than $16 billion within 10 years.

It was not easy for the Conservative government that was elected in 1984. When it came to power, the accumulated deficit stood at approximately $206 billion. The budget deficit was $38 billion, that is an operating deficit of $16 billion and $22 billion in interest payments on the debt.

As early as September 1984, the Conservative government put some order in the management of public funds. It gradually reduced the operating deficit and eventually converted it into an operating surplus in 1987. Since then, the federal government has not had any operating deficit.

This good management of public funds was not enough to keep the accumulated deficit that stood at $206 billion in 1984 from climbing to $420 billion in 1991. To understand that, we must look at what is this accumulated deficit for 1991–92. This deficit includes an amount of $206 billion which represents the national debt that we inherited. If you add to this debt compounded interest of $239 billion and subtract our government's operating surpluses, which total $25 billion, you arrive at that national debt of $420 billion.

Madam Speaker, this government has come a long way since it tabled its first budget and it was no small task. We had to reduce our spending while continuing to provide Canadians with the services they are entitled to. That is what this government has been striving to do since 1984. As was so well put in an article by Georges Angers in *Le Soleil*, "the economic and financial situation the Conservatives inherited in 1984 necessitated the drastic procedure carried out by the fine surgeon that Michael Wilson has been."

Madam Speaker, had our government allowed revenue and program expenditures to remain at their 1984–85 level relative to the Gross National Product, in 1991–92, the deficit would have been $83 billion instead of $30.5 billion and the accumulated debt would have risen to $728 billion.

In the public interest, some difficult decisions had to be made by this government. As could be expected, a number of these were not very popular, quite the contrary. But we were not elected to win popularity contests. We were elected to provide sound government.

Some would probably have liked us to settle for solutions of the past, such as increased spending to boost the economy. But government can no longer afford to spend and spend and spend. At any rate, economic recovery does not proceed from greater government action but rather from an appropriate climate in the domestic economy.

The government made the wisest choice in deciding to cut spending which Canadians had been requesting for months.

These cuts will enable us not only to reduce the deficit and to cut taxes, but also to pay a social dividend to Canadians and Canadian families.

Madam Speaker, following the last Speech from the Throne, the Conservative caucus committee on family issues, chaired by Al Johnson, set out to find ways of providing support for families. What the committee recommended was simple enough. Government was to make the tax system simpler and fairer in order to respond to the needs of families.

The work of our caucus committee was not in vain. The Minister of Finance did take its recommendations into account. In fact, several very major proposals regarding the family are included in the budget.

For one thing, it makes the tax system fairer for married couples. Starting in 1993, common law couples will be treated the same as married couples for the purposes of the tax system, thus eliminating any past discrimination against married couples.

Then the budget proposes a major reform of the present family benefit system to make it simpler, better targeted and more generous toward lower income families.

This does not put an end to the universality of social services, rather it focuses our efforts on families most in need. This is a question of fairness and social justice.

With his budget, the Minister of Finance clearly shows that our government is responding to the needs of Canadian families. I also see in this budget, Madam Speaker, a package which will allow the economy to reach cruising speed again. A government can no longer artificially prime the economy by throwing money right and left. This was tried by the previous government, in the early 80s, with the catastrophic results we now know.

A responsible government can no longer afford such measures. Economic success cannot come from expedients leading nowhere and too often tried by others.

The citizens of Joliette and Canadians in general know that an increase in spending would mean a larger debt, and that a larger debt would lead to tax increases. This is not the way my constituents want the government to follow.

The 1992 budget reflects the good suggestions received from Canadians by the government during pre-budgetary consultations. This budget provides Canadians and Canadian businesses with the means to achieve a strong and sound economic recovery.

Personal income taxes will be cut. The reduction in the general surtax will affect more than 14 million taxpayers who will enjoy increased purchasing power.

The Home Buyers Plan will allow Canadians to use their RRSPs to buy or build a home, which will make it easier for people to own their own homes and at the same time stimulate the construction industry.

The budget also contains a number of measures to encourage initiative and productive investment. These measures will encourage the development of the private sector which, after all, is the sole real source of economic growth and job creation.

Small business is included in this budget as well. First of all, the Small Business Financing Program will help small businesses in financial difficulty. In addition, the ceiling for loans to individual small businesses under the Small Business Loans Act will be increased to $200,000.

Madam Speaker, the federal budget was well received by the business community. The president of the Quebec Chamber of Commerce, Mr. Denis Mercier, said the budget was very good, while the ex-president and now administrator of the *Conseil du patronat du Québec*, Mr. Sébastien Allard, said the budget was responsible, considering the current economic and financial situation.

In concluding, I would like to comment briefly on the role of the budget committee of the Quebec Conservative caucus in preparations for the federal budget. In recent months, the committee I had the honour to co-chair with Senator Bolduc examined the government's spending programs.

In a report submitted to the Minister of Finance, we suggested ways to bring public spending into line. Upon reading the budget, I was delighted to see that the Minister of Finance included several of our recommendations, and by the way, we fully intend to submit another report some time next year.

Finally, I believe this budget is a step in the right direction and that it will accelerate economic recovery. However, more has to be done, and I think we will have to continue our policy of strict controls on public spending if we are to introduce programs that respond to the new needs of our society and especially programs that will help us prepare the future of generations to come.

Mr. Gabriel Fontaine (Lévis): Madam Speaker, the hon. member for Joliette talked about the government spending cuts announced in the last budget. I also heard him mention a social dividend. I know that many small- and medium-sized businesses are established in the area he comes from, and that this budget contains measures for those experiencing hardships as a result of the recession.

The budget provides for measures such as the Small Business Financing Program that would allow businesses to benefit from substantially lower interest rates, the revenue from the amounts loaned to them being considered as dividends on the part of the lending institutions. I would like some clarification on that point.

• (1930)

The budget also provides for an increased capital cost allowance rate on small business equipment acquisitions, which will actually differ or reduce the amount of tax that would otherwise have to be paid.

Furthermore, I believe a reduced tax rate for small business was also announced in this budget. This reduction is important because besides Canadian investors, some foreign investors do also invest in small businesses in our ridings and these foreign investors can figure out the cost of settling here as opposed to settling in the U.S. for instance. Hence the importance of reducing tax rates in the budget.

Finally, the budget also contains a measure providing that the withholding tax rate on dividends payable to foreign concerns be eventually reduced to five per cent, again, to attract and promote foreign investment in Canada. The question I ask the member for Joliette is this: during the weekends he spends in his riding, what comments did he hear from his constituents on these fiscal and economic government measures to improve and accelerate the growth of small business?

Mr. Larrivée: Madam Speaker, let me reply to the member for Lévis. As I mentioned in my presentation, there are numerous measures bringing relief to small businesses and, as he very well said, there are mostly small businesses in my riding.

We all know that small businesses create most of the jobs. That is why government adopted those measures, to help them.

As my colleague mentioned, numerous measures were adopted. I believe our small businesses have been requesting for quite some time now that we modify, that we increase the government guaranteed loans. We multiplied by two the limit, bringing it up to $200,000. That limit was modified not only because the needs had increased so much but also because, in the present situation, small businesses needed more help of that nature.

It is all very well to help them, to allow for easier borrowing, but it is even better to offer them an acceptable interest rate. And just now the minister responsible for small businesses announced that they will have the opportunity to borrow at a rate below the prime. That, I think, is really helping small businesses.

We will also be able to help by increasing the capital cost allowance rate for machinery. I feel that this is another very important measure. We know that manufacturers must modernize, buy new equipment. These programs will help them acquire more sophisticated machinery, equipment better adapted to today's markets. Manufacturers will then be allowed to depreciate their equipment at a higher rate and that is an incentive to modernize.

Madam Speaker, you are signalling me my time is over. Of course there are more measures concerning our small businesses; I thank my colleague for raising that question.

[*English*]

Hon. Chas. L. Caccia (Davenport): Madam Speaker, with 1.5 million unemployed Canadians, many of whom are running out of benefits and many of whom are being placed on the welfare rolls, no wonder there is a sense of anxiety and even a sense of anguish across this country. Those who are working are worried about their future. What we find is that Canadians have lost confidence in their future. They have lost confidence in this government, as revealed in poll after poll. In other words,

Canadians are now counting the days until the next election.

It is legitimate to ask how come we have reached this point in the evolution of our history. Evidently there are good reasons. This is the government which has gutted co-operative and social housing programs. This is the government which has deindexed family allowances. This is the government which has reneged on child care programs.

This is the government which has dismantled or is planning to dismantle through this budget the Science Council of Canada, the Economic Council, the Environmental Advisory Council, the Law Reform Commission, the Ocean Institute, and the Institute on International Peace and Security, to name a few. This is the government which has dismantled the energy division of the National Research Council, Canertech, Petro-Canada International.

This is the government which has given away the publicly owned Telesat, Petro-Canada, Air Canada, and de Havilland. This is the government which has weakened the national fibre through cuts to the CBC, through cuts to VIA Rail, and through cuts to the National Research Council.

This is the government which has cut services to the public. It has cut services in a way that it has deteriorated the quality of postal services, in a way which has prolonged the waiting period for those who apply for Canadian citizenship, for those who want to apply for immigration services, for those who depend on unemployment insurance offices.

This is the government which cut air traffic controller training, resulting now in costly delays both to travellers and to our national air carriers flying into and out of Pearson International.

This is the government which signed a bad trade agreement with the United States, an agreement which does not give Canadians any special access to United States markets, which gives the United States a greater advantage over us, which causes unemployment in Canada, which commits to the United States Canadian energy resources whether we like it or not.

This is the government which wastes money on a prosperity committee at $24 million a year; for one year $20 million to hold seminars, to travel, to advertise to pay fat per diems. This amount of $24 million a year would more than cover the cost of all the advisory councils which are being killed and would cover the cost several times of the Court Challenges Program which has been demolished.

This is the government which tolerates 10.5 per cent unemployment, having promised jobs and campaigned during an election promising jobs, jobs, jobs.

This is the government which promised in 1984 to cut the deficit by more than half. The deficit today has hardly been reduced while this same government has managed to double the debt since coming to office.

This is the government which blames everybody else where things go wrong. When an ex-ambassador, Ambassador Al-Mashat, is allowed to come into Canada under special measures, it blames an official in the Department of External Affairs.

For the length of this recession this government blames the consumers. For high interest rates it blames the Ontario economy. For the failure of the environmental green plan it blames individual Canadians. For the fishery crisis this government blames scientists and seals.

This is the government which increased taxes at least 33 times since coming into office, consistently punishing low and middle income Canadians.

• (1940)

This is the government which promised to double research and development spending in 1984. Instead it has starved post-secondary education, research and development, the National Research Council, and other governmental scientific programs.

This is the government which has weakened Confederation by freezing payments to the provinces, thus forcing budget cuts for hospitals, universities, social programs, you name it. The dismantling of Canada has started here in Ottawa by starving transfer payments to the provinces.

This is the government which through the present Minister of National Defence, the former Minister of communications and culture, removed from the Canadian Broadcasting Corporation the mandate of promoting national unity. This is the reason why the CBC today cannot accept advertisements that promote national unity.

This is the government which gave Canadians the GST which taxes books, which discourages consumers, which prostrates retailers, which slows down the economy, which encourages cross-border shopping, which taxes indiscriminately, which imposes a regressive tax and

taxes indiscriminately products whether friendly or unfriendly in environmental terms.

This is the government which jeopardizes Canada's unity by reopening the constitutional file, producing the ill-fated Meech Lake proposals, and recreating now a crisis atmosphere with unrealistic timetables. Once again the Prime Minister of Canada will likely roll the dice.

These are part of the answer. They are just a few of the many reasons why Canadians have lost confidence. This government has broken faith with the electorate of Canada. This government no longer enjoys public support as demonstrated poll after poll.

The sooner an election is called, the better for Canada and for Canadians. This is a very brief assessment of the quality of the budget that has been put forward lately by the Minister of Finance.

Canada is in a very sad shape. The sooner we get rid of this government, the better it will be for the country.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I have listened with great interest to the comments of my very distinguished colleague from Davenport who has just set straight the record of the government across the way. Seldom have more eloquent words been stated in this House than by the hon. member for Davenport who has just spoken.

I want to raise a number of issues with the member for Davenport and ask him to respond at this time so that Canadians can understand the depth of knowledge of my colleague, especially compared with the government across the way.

In the budget the government announced this Registered Retirement Savings Plan to "create more housing". However at the same time it cancelled the co-op housing program, thereby cancelling out housing construction that would have otherwise been created by that program. If I understand it correctly, there is a net loss if we take the gains of one program and the loss of the other.

Given that the MP comes from the city where there is a tremendous housing shortage, namely Toronto, I want him to indicate more fully to our colleagues across the way just how wrong-headed the government's cancellation of the co-operative program is.

Mr. Caccia: In thanking the hon. member for his question I would like to stress the fact, as he has already done, that the co-op housing program and the social housing programs across Canada have done a lot of good for Canadians who have taken very good advantage of them. The co-op housing is a very profound tradition that has been established in the country over the decades. The social housing provides for a population mix which has proven to be one of the greatest successes not only in Canada but, by comparison, with other parts of the world.

By cancelling these programs the government has shown a callousness and a sense of indifference to social needs that is unthinkable, that is unbelievable. It is one example of many as to why Canadians have lost confidence in this government.

[*Translation*]

Madam Deputy Speaker: It being 7.45 p.m., it is my duty pursuant to Standing Order 84(6) to interrupt the proceedings and put forthwith the question necessary to dispose of the main motion now before the House.

[*English*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Madam Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Deputy Speaker: Call in the members.

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

Softwood Lumber

(Division No. 112)

YEAS

Members

Andre	Atkinson
Attewell	Beatty
Belsher	Bernier
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bosley	Bourgault
Boyer	Brightwell
Cardiff	Casey
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	Danis
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Feltham
Ferland	Fontaine
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Holtmann	Horning
Hudon	Hughes
Jacques	James
Jelinek	Johnson
Joncas	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Lewis
MacDonald (Rosedale)	MacDougall (Timiskaming)
Marin	Martin (Lincoln)
Mayer	Mazankowski
McDermid	McDougall (St. Paul's)
McKnight	McLean
Merrithew	Monteith
Moore	Nicholson
Oberle	O'Kurley
Plourde	Pronovost
Redway	Ricard
Richardson	Roy-Arcelin
Saint-Julien	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Thacker
Thompson	Tremblay (Québec-Est)
Turner (Halton—Peel)	Valcourt
Van De Walle	Vézina
Vien	Vincent
Weiner	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—120	Wilson (Etobicoke Centre)

NAYS

Members

Althouse	Anawak
Angus	Arseneault
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Bélair	Bellemare
Bevilacqua	Blaikie
Boudria	Brewin
Butland	Caccia
Callbeck	Campbell (South West Nova)
Catterall	Comuzzi
Copps	Crawford
de Jong	Duceppe
Duhamel	Ferguson
Finestone	Fisher
Flis	Fontana
Foster	Gaffney
Gagliano	Gardiner
Gauthier	Gérin
Grey (Beaver River)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Hunter	Jordan
Karygiannis	Keyes
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Kindy	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	MacAulay
MacDonald (Dartmouth)	MacLaren
Maheu	Manley
Marleau	Martin (Lasalle—Émard)
McGuire	Mifflin
Mills	Mitchell
Nunziata	Pagtakhan
Peterson	Phinney
Proud	Prud'homme
Robinson	Simmons
Speller	Stupich
Taylor	Tobin
Tremblay (Rosemont)	Vanclief
Volpe	Walker
Wood	Young (Acadie—Bathurst)—82

PAIRED MEMBERS

Assad	Cadieux
Clifford	Fee
Kaplan	Lee
Milliken	Pickard
Robitaille	Rompkey
Tardif	Vankoughnet

• (2010)

[*Translation*]

Madam Deputy Speaker: I declare the motion carried. Pursuant to the order passed earlier today, the House will now proceed to the special debate on the situation that is now facing the softwood lumber industry.

* * *

[*English*]

SOFTWOOD LUMBER INDUSTRY

SPECIAL DEBATE

Madam Deputy Speaker: For the purposes of this special debate the question before the House is the following one:

That this House do now adjourn.

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, as we are all aware by now, the United States department of commerce has made a preliminary determination that prices charged by Canada's provincial governments for the timber used in softwood lumber production provide countervailable subsidies to their products.

The U.S. department of commerce determined that log export restrictions in British Columbia as well provide countervailable subsidies to British Columbia lumber products.

It estimated the net subsidy at a rate of 14.48 per cent of the final value of all lumber shipments from Canada excluding, of course, the Atlantic provinces.

Permit me to put the problem in a bit of a historical perspective.

The first dispute we had with the United States over our lumber trade was back in 1892. Throughout the intervening years there have been disputes. In fact, in some cases the Americans complained that we were deliberately curtailing shipments to the United States, thus retarding their ability to build homes.

Let me quickly come to the more recent round of disputes in our lumber trade with the United States which really takes us to the 1980s.

It was in 1982 that the first action of the kind we are dealing with was launched. At that time the coalition of lumber producers in the United States, particularly led by the Pacific northwest producers, laid claims that we were subsidizing our lumber through procedures of collecting economic rent through the stumpage procedure.

Now one would quickly ask what brought on the action in 1982. Well, the action was brought on in the main because of a recession in 1982, a recession of the same kind we are suffering right now.

That recession put extra pressure on the producers in the United States who would have preferred to bring about an increase in the price of lumber and increase the demand which would have created and saved the jobs that were being lost.

At that particular time we launched the same kind of appeals and actions that we launched at this particular time. The findings at that time by the tribunal that was set up determined that our stumpage rates do not provide a subsidy in the sense that they are not specifically targeted at one industry or specifically targeted at one company.

That ended the issue at the time but it was reinitiated in 1986 and again we asked ourselves what the reason for that would be because nothing had changed. The stumpage rates stayed the same, the way we allocate economic rent stayed the same and in the main, we carried on in the same fashion.

• (2020)

What did change, however, was an increase in our market share in the United States from roughly 28 per cent to 33 per cent. Of course, there was a very, very significant change in the exchange rate. You will recall that in 1985, the Canadian dollar in comparison to the U.S. dollar was at 73 cents which of course gave our industry an advantage which in turn made it more competitive in the U.S. market. In turn that resulted in an increase in our market share.

That brought on the countervail action in 1986. It was not that there was a new light shed on the subsidy question. Everybody remembered 1983. There was no subsidy. But it was because our industry had carved itself out a larger market share.

At that particular time after the preliminary determination of injury and subsidy, it was determined that there was a 15 per cent advantage to Canadian companies.

The process was launched to impose a duty on our lumber entering the United States which, in turn, to make a long story short, ended up in the MOU. That was really quite an innovative way for us to protect our provinces and our industry from this haemorrhage of losing the 15 per cent to the treasury of the United States.

What we did instead was impose an export tax on our lumber and kept the 15 per cent subsidy in our own treasury. That is, the federal government collected it and quickly turned it over to the provinces.

The MOU also made provision that for any province that wished to bring about offset measures either in increased stumpage rates or in a greater imposition of silviculture costs to the company, that over time or as these off-set measures were implemented, the export tax would be reduced.

In fact, a lot happened since 1987 in that area. Looking at British Columbia, for instance, a year after the tax was imposed, it did restructure its whole stumpage arrangement, increasing its economic rent from the industry

from between $600 million and $700 million a year. It went far beyond what it had to do in offsetting the 15 per cent.

In addition to that, it imposed on the industry which was proper and right to do, the entire responsibility for the renewal of our forests, a cost of between $4.5 to $6 a cubic metre which also should have been, could have been, and was considered as an offset.

In fact, immediately after that happened, British Columbia no longer paid the 15 per cent. The offsets were sufficient.

About the same situation occurred in the province of Quebec. In 1987, that province brought in a totally restructured stumpage appraisal system, and again passed on to the industry certain responsibility for the management of the forests.

All in all, the offsets in Quebec reduced the 15 per cent perceived subsidy tax down to 3.1 per cent. That was really the situation which we found ourselves in now.

Incidentally Alberta as well made some changes in its forestry act which could also have been considered as an offset, but it never applied for it.

All in all, 92 per cent of all the shipments to the United States were really affected by the initiatives taken by the provinces of Quebec, British Columbia and Alberta. We were merely dealing with 8 per cent of the shipments which came from Alberta in the main, and the prairie provinces.

That is not all. That is not the only thing that happened between 1987 and 1992. What also happened is that our dollar increased from 73 cents or 75 cents to a high of 88 cents which of course created a serious problem for our industry. All of us are painfully aware of that.

As well, as a result of this currency exchange rate change, our market share dropped again from 33 per cent, which it had been at the height in 1987, to 27 per cent.

In other words, from an American perspective the MOU had served its purpose. We were down to our traditional market share of 27 per cent—incidentally it was 28 per cent in 1980—and our industry had imposed upon it much higher economic rent and a much greater imposition in terms of management costs.

It was for that reason that we sent a signal to the United States that it was our intention to implement or exercise our right under the MOU to terminate the MOU. We sent that message on September 3, 1991, and the termination came into effect on October 4 of the same year.

Let me give a sense of the magnitude of this particular trade with the United States. In 1990, that is one and one-half years ago, we shipped to the United States 11.8 billion board feet of lumber. To put this in another perspective, that amounted to $3.2 billion. That is just in the softwood lumber trade, not considering all the other trade in forest products that we do with the United States. Incidentally that is 52 per cent of the total Canadian production of softwood lumber.

To give an idea of the importance of the solid wood sector in Canada, there are roughly 1,000 firms right across Canada, from Vancouver Island to Newfoundland. They pay $2 billion in salaries to 75,000 people who directly work in the industry. They have roughly $9.5 billion to $10 billion in sales. It is a very critical, a very important industry in terms of our dependence on it for our economic well-being.

What triggered this new round of countervail action? As I said earlier, the main reason is the recession. We are now back in the same boat that we were in 1982. It is a serious recession. It is very stubborn in the United States.

Because of the fact that it just so happens that our solid wood producing sector is a lot more efficient than that in the United States, we do have a bit of an advantage despite the fact that our dollar from the perspective of the wood converting industry is at an exceptionally high level.

There is another factor that has entered the equation. That is all the environmental pressures that have put a real serious pressure on the log supply situation. There are timber supply shortages everywhere in the United States caused by this, the set asides, the spotted owl and all those great debates creating real problems for the United States industry, problems for which it is looking for a scapegoat to blame.

Really what the industry in the United States needs is a massive increase in lumber prices. What it needs is a massive increase in log prices.

It works particularly well for companies like Georgia Pacific which have large tracts of privately owned land. Every time log prices go up, the price of the property goes up. It is the consortium Georgia Pacific in the south that is pushing and that created the problem this time in the United States. It is not the Pacific northwest producers because they know what their problems are.

There are some people in the United States who have a great incentive to bring about this action, despite the fact that this action will also result in an increase of between $1,000 to $3,000 for every home that is going to be built in the United States.

The cost of this imposition, this tax, has to be passed through to the consumer of the United States. It cannot be any other way. Our industry cannot absorb it. It will either shut down and create new demand or else the price will go up and the result will be the same.

What the Americans want is a level playing field, they tell us. How can that be? How can there be a level playing field? It is not possible. We have 90 per cent public ownership in our country. It is up to provincial and federal governments to establish the economic rent that we want for this natural resource. Public ownership in the United States is roughly 26 per cent. It has mostly a privately owned resource. There is a profound difference.

• (2030)

In our country we have roughly 453 million hectares of forest land. A quarter of that is under timber management. We have horrific problems in our country living up to the very serious international obligations we have as custodians of 10 per cent of the planet's forests. We do not just manage our forests for timber. We manage them for the ecology in terms of the environmental equations and in terms of all the other measures that are there. So there cannot be a level playing field between Canada and the United States.

As I said, we also have a much different view of our obligations to manage. We have agreed in the green plan to set aside 12 per cent of our entire space, huge areas of forest land that have never been accessed with roads and other infrastructure.

To put it bluntly, we do not intend to allow our good neighbours to the south to manage our forests and to tell us what our obligations are not just to our neighbours but to the rest of the people of the world.

Some say, and we will hear it tonight, that we should not have got ourselves into this mess in the first place or that perhaps we should not have terminated the MOU when we did. Some will say that the free trade deal is at fault too. I have heard that said by some of our opposition colleagues.

Let me remind them that when the situation was dealt with in 1986 we did not have a free trade deal. If they would have mounted the effort we are mounting now in 1986, there would have been a great risk and the provinces did not want to take the risk.

In the first eight months of the 15 per cent MOU tax we collected and sent back to the province of British Columbia over $300 million. This was money that would have accrued to the treasury of the United States. We did not have a dispute settlement mechanism. We did not have a tribunal to go to as we have now. We are in a much different situation. Thank God for the free trade deal because we now have access to doing these kinds of things. Now we have a dispute settlement mechanism at the end of this current process.

How does this current process work? It is important that we put that into its proper perspective. There are four steps to it as there were the last time. There is a preliminary round which determines first of all injury. It has to be proven by the proponents in the United States. Then there is a preliminary subsidy determination.

That is the stage at which we are now. We have had now a preliminary subsidy determination which imposes a tax of roughly 15 per cent on top of what we have already had before.

One could argue that in the case of British Columbia and Quebec we would have been better off not to offset the previous determination and paid a tax over the years and perhaps we would have escaped the new finding. It is grossly unfair because B.C. and Alberta will have a new imposition of the same amount as the other provinces have that did not offset. I am not entirely sure that this is not a cynical design to break the solidarity of the

Canadian coalition of the provinces, the industry and the federal government.

There are two other steps, the final determination of injury and subsidy. The whole process will be complete in July of this year. We are appealing at every step of the way. We are sending armies of lawyers and mountains of paper to the United States. It is not a foregone conclusion that this process will result in what everybody expects it will result in, although I have to confess that considering the political interference in this process I do not have very much faith in it. When all is said and done we fully intend to fight this proposition tribunal under chapter nineteen of the free trade agreement. It is an independent judicial process. It is a joint Canadian–American process. There will be Canadian judges and adjudicators sitting together with the Americans to look not at politics, not at exchange rates, not at any other factor, but at the facts that are before them. And the facts will bear out that we should be vindicated.

As well we have already launched an appeal with GATT. A panel has been established and that panel will report in June. Again I am confident that it has to rule in our favour because the facts are so overwhelming.

But all of that does not relieve all of us here, particularly the industry, of our anger and our disgust with this process, this behaviour of our friends. This is scandalous, to say the least. We are mad about it and they should know that we are.

The commerce department in fact initiated this latest round. It was not initiated by a lumber coalition as it was the last time. It was the department of commerce, middle management officials in the United States who initiated it themselves.

There is the bonding requirement which is illegal under GATT and any other tribunal. The log export component is hypocritical, because there is a ban on the export of logs from the United States from federal lands. Why should they throw that into the equation? But, worst of all, they are hurting their own people. As I said, the result has to be an increase in prices of lumber for their own people.

Why would they do these things? I can only conclude that it is perhaps for the same reason that our opposition colleagues here tonight will attempt to lay blame entirely on the federal government for this particular situation, instead of giving recognition to the fact that the world has changed. We have to consider our trade prospects in a global context. We live in a different world today. The Americans had better learn, and learn fast, or else they will be left behind for good, to get out of the situation they are in, mired in their dreams of past glories when they could always have their own way. The world has changed. They are no longer top dog in every area.

No doubt we have benefited immensely from living so close to the most potent and powerful market in the world. So have the Americans benefited from living close to us and from having us as good friends. They must re-learn who their friends are in the world and start playing by the rules that are now written for a new world.

Hon. Roy MacLaren (Etobicoke North): Madam Speaker, we have heard the minister's defence of the government's mishandling of what is a fundamental issue for Canadians: the question of how we trade with our principal trading partner, the United States.

The issue before us manifests a problem with the free trade agreement that is not only reflected in the specific issue of softwood lumber but of course is also reflected in the automobile problems that have arisen in the last weeks, and further the question of the treatment of magnesium exports from the province of Quebec to the United States. I speak in effect of the whole issue of how Canada and the United States regulate their trade under the free trade agreement.

Let me first say a word about the specific question of softwood lumber exports from Canada to the United States, the specific issue that is before us this evening, before I turn to the broader question of the inadequacies and shortcomings of the free trade agreement as a method of providing a framework for Canada–U.S. trade.

We have seen in these last days the response of the United States to the decision of Canada, the belated decision of Canada in October, to terminate the 15 per cent export tax on softwood lumber exports to the United States. I say "belated" because in our view the government should never have accepted the practice of imposing an export tax on our exports of softwood lumber to the United States. There was—and the minister touched on but did not elaborate on the government's reasons for rejecting the alternative—the alternative of the GATT. It might have been a solution to the problems we are encountering today if the government had had the courage to pursue the GATT alternative back in the years when this issue first arose.

• (2040)

All Canadians have had reason to regret the absence of the commitment to the GATT that the government exhibited on the occasion of its acceptance of an export tax to deter Canadian softwood exports to the United States. Why it chose that route instead of the GATT route can only be a matter for speculation, at least on our side of the House, but I would have to think that the fact the decision to impose the export tax came at the same time as the final negotiations were going forward on the free trade agreement itself may not have been entirely coincidental.

In retaliation for the Canadian government's cancellation of the memorandum of understanding on softwood lumber including the 15 per cent export tax, the United States department of commerce—and I want to stress that it is the United States department of commerce itself, the United States government—has acted to impose by coincidence a 14.48 per cent duty on Canadian softwood lumber.

This obviously is going to require immediate response from Canada, from Canadian producers and Canadian exporters, in the sense of posting bonds immediately on shipment of softwood lumber to the United States. That alone is a major burden for the Canadian exporters to assume. We export currently about $3 billion worth of softwood lumber to the United States annually and the duty now imposed could cost Canadian exporters almost $500 million in annual duties. That is clearly a major deterrent to the effective continuation of our exports to the United States.

Time and again during the free trade debate of not many years ago, the Conservative government promised Canadians that the free trade agreement would secure access in the United States market. Well, what have we today? We have the exact opposite.

I mentioned a moment ago the evidence that is accumulating of barriers that are being placed in the way of Canadian exports to the United States market despite the existence of the free trade agreement. We have seen the issue of Canadian pork being hindered from entering the United States market. The resolution of that issue was a matter of almost two years, during which time the interests of Canada were adversely affected. We need not only look at the question of pork. The instance of automobiles is before us all. We are conscious of the obstacles that have now been placed through the United States customs service on the export of Canadian built automobiles into the U.S. market. We have seen more recently still the question of Quebec Hydro and magnesium exports to the United States. In the free trade agreement we obviously did not win secure access to the United States market, and that was the whole justification for the free trade agreement.

The Conservative government should certainly not have signed the memorandum of agreement even though the free trade agreement was not then in place. The government says that in effect it had no real option because it did not have a free trade agreement at that time. It was under intense pressure from the United States to restrict exports of softwood lumber to the United States and it caved in to American pressures and imposed our own export tax on Canadian exporters.

Having finally recognized the folly of its own ways and also having recognized that as the Canadian dollar has increased in value one of the principal complaints of the United States has evaporated, the government finally got the courage to remove the export tax.

In so doing it has brought about substantial damage to the future prospects of Canadian exporters because it immediately invoked in the United States the import duty which will have a particularly severe effect on the provinces of British Columbia and Quebec.

The Leader of the Opposition in the province of British Columbia has consistently drawn attention to the importance of softwood exports to the United States. He has also drawn attention to the fact that the situation today is that B.C. and Quebec exporters are not only paying higher stumpage fees as a result of the actions of the provincial government but are now faced with the additional 15 per cent duty imposed by the United States. As a result the cost of doing business has effectively doubled.

I want to stress that this action was taken by the United States government itself, which is rare in trade between our two countries. It is not in response to a complaint by the U.S. industry but is rather an action taken by the United States government, which is in effect acting as the investigator, the prosecutor and the

judge in this case. There is no way in which the free trade agreement can be offered as an adequate answer to that particular practice of the United States. It has rendered the Canadian exporters of softwood lumber more and more vulnerable to American pressures.

I want to quote the Minister for International Trade. He said: "We have argued strenuously that Canadian stumpage practices and log export restrictions do not constitute subsidies. We will continue making that argument to the U.S. department of commerce and, if necessary, to an impartial, bi-national panel provided for under the free trade agreement".

The minister says "—if necessary to an impartial, bi-national panel". However, the fact is that the existence of the free trade agreement and the so-called impartial, bi-national panel has not acted as an obstacle or a hindrance to the United States in pursuing its protectionist commitments in the case of softwood lumber, or in the case of automobiles as I mentioned a moment ago.

We have in the free trade agreement a dispute settlement mechanism that is seriously flawed. The purpose of the dispute settlement mechanism was to provide a way in which trade disputes between our two countries could be settled amicably and by common understanding. In fact, that is not the case at all.

• (2050)

The agreement which instituted the bi-national panel merely provided for a panel to consider whether U.S. trade law is fairly applied. It is not to decide whether some objective, third party standard is met but whether U.S. trade law itself is being fairly applied. The decisions of the panel, even in that limited area, are not binding unless the two governments have a prior agreement that the decision of the panel should be binding. The result is that we have a dispute settlement mechanism that is both biased and flawed.

In the specific case of softwood lumber we will very likely see a decision to resort to the bi-national panel. However, that decision will be made only after a further process is completed within the United States itself.

A moment ago the minister drew attention to the fact that in this process we are only at the second of four stages. It will be several months yet before reference could be made to a bi-national panel. At which time the bi-national panel will take some time to complete its consideration of the Canadian case against the U.S. import duty.

What does this mean in practice? It means that in the provinces of British Columbia and Quebec, and the western provinces generally, it will be necessary to pay the U.S. penalties in the meantime. What is this government prepared to do? It got itself into this situation in which Canadian exporters are being penalized. It has got itself into a situation in which the Canadian softwood lumber industry is going to be adversely impacted, adversely affected by the agreement. Will this government offer the industry some assistance in seeing it through what is obviously a very difficult interim period until, as we all hope, a satisfactory resolution is reached?

What is the Canadian government's commitment to help companies with bonding requirements? What is the Canadian government's commitment to assist the workers, employees and companies with the assistance they may need during this period of review of the arbitrary U.S. decision?

One of my colleagues in the course of our discussions in the last days has drawn attention to the Employment Support Act of 1971. Does the government choose to employ that opportunity to direct assistance to an industry, and I quote: "whose exports are subject to unfair duties and harassment by foreign countries?" The Prime Minister has described this issue and the automobile issue as vexatious harassment of Canadian industries. By saying that the industries are being harassed by the American government is the government saying that it will assist the industries through this period of adjustment?

Let me turn for a moment to the more fundamental question. I will touch for an instant on the question of the effectiveness of the dispute settlement mechanism within the free trade agreement. I noted its flaws and I noted its ineffectiveness. I want to pursue that point.

The government chose that route. It accepted an inadequate response to the U.S. demand that it retain within itself its own sovereignty in the question of dispute settlement in foreign trade matters.

The United States was not prepared to concede to any tribunal or third party the opportunity to pass judgment on U.S. trade practices. The basic reason the United States government chose to make that a condition of the completion of the free trade agreement was that it would not subject its own subsidy practices to the surveillance or consideration of any third party or any impartial tribunal. The major flaw in the free trade agreement is that there is no provision in the agreement for the definition of subsidies or for the treatment of subsidies in an impartial tribunal considering whether there should be penalties for such subsidies.

That is the basic flaw in the case of the softwood lumber question we are considering this evening. It is equally the basic problem in the question of the export of the North American content of Canadian-built automobiles being exported to the United States.

The government chose in its wisdom or in its folly to complete an agreement which was in effect incomplete. The government said: "We will not pursue the matter of subsidies with the United States. We'll leave that question aside, recognizing of course that it is a major question, but we will leave it aside hoping that somehow the GATT will reach agreement and offer to the United States and Canada a definition of subsidies which we can later insert into the free trade agreement".

That theory may be fine. It may be a good idea but unfortunately the world goes on. Questions arise on subsidies in the meantime. Questions arise on countervail. Questions arise on penalties for subsidies. We see that inadequacy of the free trade agreement increasingly today. We see it in the issues of softwood lumber, we see it in the issue of automobiles. It is a result of the failure of this government to reach an agreement on subsidies and how those disputes on subsidies should be settled through an impartial panel with binding powers.

The result is that the government has chosen to use a bi-national panel which has no binding powers unless the two governments choose to recognize a binding requirement. The further result is that Canadian exports are subjected to harassment and unfair trading practices without any immediate appeal to those practices. The result is that Canada is at a severe disadvantage in the Canada-U.S. Free Trade Agreement.

I ask the minister, who has spoken this evening, and the government generally: What does it intend to do? What does it intend to do to counter the ineffectiveness of the free trade agreement as has been so clearly demonstrated in the case of softwood lumber today, and last week in the case of automobiles manufactured in Canada?

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I am pleased to participate in the debate tonight. I want to thank all members in the House for agreeing to this debate. I called on Monday and Tuesday for a debate similar to this so that members of Parliament could send an important message to all Canadians, in particular those Canadians in over 300 forest communities in this country who are dependent on the forest industry for their livelihood and are being affected dramatically by this recent trade decision by Washington, and the U.S. commerce department.

• (2100)

It is important tonight as well to make sure that we do send that message to Washington, D.C. so that they understand our concerns and the representations we make on behalf of our constituents.

Third, I see as a very real and important part of tonight's debate that we must keep pressure on our own federal government to ensure that we do not get into the situation we were in in 1986 when it sold out Canada, and sold out Canada's forests, by signing the memorandum of understanding with the United States.

Tonight, after a weekend of cabinet meetings to discuss this issue, with sabre rattling from the Prime Minister and claims by the trade minister that they are going to fight all the way, I am disappointed. We did not get a clear game plan tonight, a line of action from the minister.

Canadians and people concerned about this issue must be able to see clearly that the Government of Canada, with the provinces and the industry and in particular the people who work in the forest industry, know that as partners in this debate we are there to make sure that we fight for Canada's interests. That is important because the debates we have had in this House in just the past week or so have been about our resource industries.

They have been about our farms, the fishing industry and now our forest industry and forest workers.

It is clear that the decision by the U.S. commerce department on Friday is unfair and is unjustified. The decision by the U.S. commerce department is going to add almost 15 per cent to the cost of our lumber exports to the United States. This imposition of the tariff across all of the provinces in Canada, but Saskatchewan and the Atlantic provinces in particular, will have a dramatic impact on the forest industry and the workers in that industry.

In fact it is going to hurt Americans. It will add some $1,500 to the price of a home that Americans want to purchase and will mean that President Bush's game plan to try to get home starts going in the United States will falter as his election campaign is.

In particular, the singling out of the British Columbia log export policies is hypocritical and ridiculous. As has been pointed out, both Washington and Oregon states control log exports. Washington, D.C. approves it and its move to include the log export policy from British Columbia is, and I underline it, a hypocritical policy. It is one that I am certainly pleased the new government in British Columbia, forest minister Dan Miller and Premier Harcourt, have already discussed. They have made their voices clear and loud about how they view this issue.

It is an important issue to us. This country exports over $3 billion in lumber exports to the United States. It is clear just how dramatic and important this issue is when it is in dollars alone.

We have to take a brief step back in history to see just where we are and to set the stage for where we are now. Members know, of course, that these lumber disputes go back a long time. We had one in recent time, in 1982, when Canada actually won the case.

As has been pointed out, the issue resurfaced in 1986, provoked by U.S. lumber interests through the memorandum of understanding, the infamous memorandum of understanding. I say "infamous" because of the dramatic impact that agreement had and how we ended up in the mess that we are in today.

If our governments of the day had dealt with the issue at that time, no one is to say we would not have another dispute but we certainly would not have yet another cloud over the heads of our industry and the workers in the forest industry.

At the time, you will recall the now Prime Minister said it was a good deal for Canada. In interviews later on, the current forest minister said that the MOU was not a major worry for the forest industry, but we take issue with those views. We do not believe they are an accurate reflection of just what the situation is in the forest industry or in the whole matter of the trade disputes surrounding this issue.

We even had the most unfortunate situation where the former Socred government of British Columbia actually sided more with the Americans than it did with Canada. There have been published reports, astounding reports, which stated that when a Canadian team was negotiating and working out its strategy, the then premier and his forest minister in those meetings would later that night call the Americans to tell them what the Canadian strategy was.

That is an appalling approach for the premier of a province to take. I for one would say thank goodness that government is gone and that we now have a government in British Columbia that is prepared to fight and to defend the interest and the forests of our province.

Those who were deeply involved in the negotiations of the memorandum of understanding and the free trade agreement will tell you that the pressure from Washington at the time on Ottawa and the provinces was tremendous. The federal government and the provinces basically sold out our forest industry in order to get a very flawed free trade agreement.

Information we have obtained through the access to information legislation shows that the American commerce department would use the memorandum of understanding to challenge virtually anything that they considered to be a subsidy to our industry.

When Canadian National Railways and B.C. Railway decided to encourage more freight traffic, the Americans challenged the right of our railroads to reduce freight rates. They alleged that it was yet another subsidy. At that time our government told the Americans to shove off, it was none of their business. We supported them for that because it is just ridiculous given the mess we got into with this memorandum of understanding.

We supported the government as well when last fall it gave notice to the United States that the memorandum of understanding should be cancelled. We should never have been in that situation in the first place but the decision to scrap the MOU came too late and cost thousands of jobs. In the case of British Columbia,

estimates from B.C. ministry of forests are that over 7,000 jobs were lost in British Columbia alone.

The accelerating integration of mills, that is bigger mills swallowing up smaller operators is a dramatic change in policy in British Columbia and particularly in my area. Our industry was hit by dramatic changes within the province from which it is still reeling.

In northern Ontario exports to the United States are down by 45 per cent. The memorandum of understanding was a big mistake and was the forerunner to the problems we are in now with the United States.

We supported the decision of the government to scrap the MOU because clearly it is a question of sovereignty and our right to be able to manage our forests the way we want to and not to be dictated to by Washington, D.C.

I know the message Canadians are telling their members of Parliament. It is clear the free trade agreement is failing Canada. It seems we have more disputes now under free trade than we ever had. They are either ongoing or have been dealt with. We have had disputes over salmon on the west coast, magnesium, lobster, aluminum, beer, pork, plywood, automobiles and now of course, we are dealing with perhaps the trade issue between Canada and the United States and it is softwood lumber. If we take a look at the record and the facts in this particular softwood lumber case, it is a particular concern just exactly how vexatious, to use the words of the Prime Minister, that the Americans are being on this particular issue.

• (2110)

I would like to quote an article in the March 6 edition of *The Wall Street Journal*, written by Mr. Gordon Ritchie, who was formerly the Canadian ambassador to the U.S. and deputy chief negotiator of the free trade agreement. Let us take a look at what he says:

> In a further example of the kind of treatment that has astonished America's Canadian friends, the Commerce Department summarily refuse to consider 323 of 334 routine applications for duty exclusions filed by Canadian companies unconnected with any program being investigated in the softwood lumber case. The Commerce Department said it did not have the time or the resources to consider the applications.

They have certainly had the time and resources to start a trade war with Canada over softwood lumber. Further, quoting from the same article: "Still not satisfied, the administration—"

It is not just the functionaries that the Prime Minister is talking about. If it is just the functionaries, who is running the government of the United States? It is the Prime Minister's friends obviously. President Bush clearly has to call some functionaries into his office to straighten them out and tell them who his big friend is up north in Canada and to just to lay off a little bit.

Let me quote:

> Still not satisfied, the administration invoked the draconian provisions of section 301 of the Omnibus Trade Act of 1988—often brandished but never used against either Japan or Europe—to impose customs liabilities on Canadian lumber, even before any preliminary determinations of injury or subsidy were made. This action clearly violates American obligations under the General Agreements on Tariffs and Trade and the Free Trade Agreement.

These are our great friends to the south, our great trading partners. They are making these kind of decisions prior to any determination from their own commerce department. It is a pretty clear indication from the government of the United States just how it treats the free trade agreement and how much care it really gives to the Canadian government and its views on this whole particular issue.

The Conservatives say do not worry, free trade will save us. Of course we have had some time for the cabinet to consider this particular issue. It has had months. It has had weeks, knowing that this decision was impending, but there is a sense of the quiet before the dawn. Do not worry, this whole thing will not happen. We have the free trade agreement. That is going to save us because we have the dispute settlement mechanism and that is going to solve all of our problems.

The government did not use the time, it would seem, to build bridges with the homebuilders' associations in the United States that are now working on our side to make the point to their own lumber interests and their own commerce department. It was not this government, it was the government of British Columbia and Premier Harcourt who made overtures to the governor of the state of Washington on the log export policy. On that one we have a clear position. It has been the government of British Columbia that is leading that fight, not this

government because it has its free trade blinders on to any particular issue like this.

Domestically, while the Conservatives talk the good fight, talk about how they are going to take this to the wall, what does the government do? It continues to encourage a domestic policy of a high dollar that is killing our exports to the United States and is adding to the problems. The government would appear to be putting all of its eggs in the free trade basket. It is pretty clear that is what it is hinging this whole thing on, and let us hope so. For all those people who are dependent on the jobs in the forest industry, we are going to have to hope and pray for something a lot more than what this government has been able to offer so far. Let us take a look at a couple of the concerns and at some of the opportunities that could have been used or should be used. I refer members to an article in the March 8 edition of *The Toronto Star* that reviewed the concerns over the dispute settlement mechanism and some of the advantages. In this case Mr. David Crane argued why we could use an existing mechanism and why it would be better. With regard to the dispute settlement mechanism he wrote about the scope of the panel, if it is ever established. Not to be an alarmist, an article by Mr. Ritchie makes reference to U.S. officials suggesting that they may refuse to be bound by the decision of the bi-national panel. As one person suggested, it is like having an ugly, vicious dog just sitting there and waiting. They are saying: "If you do not do what we say, come to the table and sell out to us like you did in 1986, we are going to sick this ugly dog on you and you are never going to get your so-called favourite dispute settlement mechanism and resolve this problem".

The scope of the dispute settlement mechanism has been mentioned before. The concern is that the main purpose of the panel would be to determine whether the United States has properly applied its own trade law against Canada. It would not conduct a new investigation. Under GATT it is talking about a faster and quicker decision, one that judges disputes on the basis of the rights and obligations of member countries under the GATT system, not on the basis of any one country's law.

We have to continue our fight at GATT. Our leader has already said that the message to the United States should be that we are out of the NAFTA talks. We have to give a message to Washington, D.C. that we are not going to roll over and play dead on this particular issue.

Through debates in Parliament we have to keep pressure on our own government so that it does not repeat the sellout of 1986. Our forest communities and workers depend on it. People who work in communities like Prince George, Robson Valley, Fort St. James, Burns Lake, Fraser Lake and Houston want the government to fight it all the way. They do not want fine words. They want a government that is going to stand up for Canada, that is going to fight for the interests of our forests, and keep up the fight for the sovereignty of our forests.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like to speak on behalf of the government tonight in this very important debate. I would like first of all, if I could, to extend my congratulations to the Minister of Forestry and the member for Prince George—Peace River for his masterful summary of what has taken us to this situation, his analysis of it, and his explanation of our options and of our strategy. The masterful address he gave should be printed and sent to all these Americans who are harassing us, as well as sent to the members of the opposition who should read it carefully because in there are the kind of facts that the opposition would benefit from reading.

I am speaking on behalf of the Minister of Industry, Science and Technology and Minister for International Trade tonight because of the importance of this program from the point of view of our over-all industrial structure and indeed our trade performance.

I want to make a couple of preliminary comments and just centre my remarks primarily on a key facet of the American complaint, that is their objection to our lack of exports of raw logs. This apparently is a large part of what they call their countervailable case, and I want to centre my comments on it.

Before I get to it I really should remind the House, especially when I listened to the Liberal Party talking a few minutes ago, that when the MOU was signed in 1986

we brought in a process whereby we would collect the tax and we would turn it back to the provinces for them to put into the forestry industry, and guess what happened? In the province of Ontario, under the Peterson government, the Liberal government collected—I have a letter here that calculates this—$63 million of revenue since the memorandum of understanding was signed in December 1986 until October 26, 1989. This is a letter to the member of Parliament from Timiskaming. Of the $63 million in revenue, $18 million only, $18 million, that is all, was returned to the forestry industry by that Liberal government.

• (2120)

So when Liberals stand up and tell you how concerned they are about the forestry industry, remember that ratio: they collect $63 million and put a very small amount of it back into the industry.

The hon. member for Prince George—Bulkley Valley from the New Democratic Party made a couple of points that I want to make a couple of responses to.

He asked a very interesting question. He asked: "Why are we having all these troubles with the Americans, all these cases—hogs, raspberries, strawberries, Hondas—when we have the free trade agreement?" He is giving the impression that somehow the free trade agreement creates these problems. In fact we have had, I think the last time I looked, 18 different bi-national panels established to deal with problems with the Americans. One might ask: Is this because of the free trade agreement? Well, of course only someone who knows nothing about the American political and social and economic problems today would say it had anything to do with the free trade agreement. What it has to do with is the mounting fever of protectionism in the United States.

Virtually every part of the American economy is going through a convulsion of protectionism. We foresaw that. We foresaw that this would be the case increasingly in the late eighties and the early nineties. This is why we were determined to put in place a framework that would give us something new to deal with it. The free trade agreement did that by putting in place the bi-national panel.

Mr. Speaker, I would like to tell you a little story about the bi-national panel. I remember having a luncheon meeting with the Japanese Minister of Trade about a year and a half ago. He said: "Tell me something. How does this bi-national panel work when you have a trade dispute with the United States?" I said: "Well, you have one American judge, we have a Canadian judge, we have a neutral chairman and they decide". He said: "Does it take forever for them to decide?" I said: "No. It must be decided within 315 days".

The Japanese minister said to me: "Now, let me just get this straight: You have equality with the Americans when you have a dispute? But they are 10 times the size of Canada." I said: "You've got it right, they are 10 times bigger than we are but we have equality now when we have a dispute". As a result, the minister said to me: "That's a pretty good deal; we would certainly like to have something like that".

That is the reality and that is the power of what the free trade agreement has given us in the middle of this fever of protectionism that we are facing from the United States.

One other comment. The NDP made a complaint that we are putting all of our strategy here on this matter into what he calls the "free trade basket". He completely overlooks the fact that we have a GATT panel that has been struck for this. It is going to be pronouncing in June, or July at the latest. We have used our GATT options. Then he complained "but the problem with the free trade bi-national panel is that it is not binding". Well, just a minute. I have heard, by the way, the Liberal Party say and Mr. Crain said this in the *Toronto Star* the other day: "The problem is we should let GATT do all this, not the free trade agreement". The problem with GATT, and anybody who has dealt with GATT knows, is that GATT is not binding. GATT is a very powerful piece of moral suasion when they come up with a decision, but it is just that, it is not binding.

The free trade agreement bi-national panels are binding.

We are not putting our strategy all in the free trade basket. We are putting it into the GATT basket, we are putting it in the free trade basket, plus we will be revealing our strategy as the weeks and months unfold. What I really wanted to address in terms of substance and put on the record is the particular absurdity of one part of the American complaint with regard to this matter. It is really quite astonishing and I would like the House to be aware of just how absurd it is. The preliminary countervailing duty on softwood lumber was determined by the Department of Commerce, as the Minister of Forestry said, at 14.48 per cent. Of this, 8.23 per cent or 57 per cent of this whole countervail amount was determined to be the result of what? Of what they

call an indirect subsidy to producers as a result of logged export restrictions in British Columbia.

Now, what is this? The Americans are saying to us: "You won't ship raw logs to the U.S. or Japan or wherever. You restrict them and, as a result, you should be countervailed". We are shocked that the United States would allege this. We find it ridiculous. They say that the subsidy is alleged to result from the following: By not shipping raw logs you depress domestic log prices as a result of artificially reduced demand. That is their argument.

The fact is that both Canada and the United States have restricted the export of logs from public lands for decades. This is not something new. We have done it for decades. We do not do it alone, the Americans do it. As a matter of fact, they do it for conservation reasons. They have got the spotted owl for example that they want to protect and they do not allow the export of raw logs in certain areas because of that. These restrictions have never been a problem up until now. In fact, log export restrictions were explicitly acknowledged and accepted as part of the Canada-U.S. Free Trade Agreement.

Why do we not export raw logs? The reasons are that we want to conserve a valuable natural resource to meet multiple uses that the public increasingly demands of our forests such as wilderness for hunting, tourism and timber supply. In fact, sawmilling interests in the Pacific northwest want increased controls on log exports. They recognize that the United States' actions against Canada could undermine any efforts to strengthen domestic controls.

In conclusion, in this part 57 per cent of their whole case is based on an absolutely ridiculous contention. We are absolutely positive we are going to win this. It is ridiculous that the Americans have taken this to the stage they have taken it. I am confident that we may not even have to reach a bi-national panel because of the strength of our position.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I too welcome the opportunity to say a few words on this very important issue not only for northern Ontario but also for northern B.C. and Quebec where the industry holds a very special place.

Before going any further, I would just like to bring a correction to what the forestry minister said in his opening remarks. He said that in 1982 the Coalition of Lumbermen's Associations in Canada was centred and came mostly from B.C. He forgot to mention that the Ontario Lumbermen's Association was directly and very actively involved in this action in Washington as well as *La fédération des manufacturiers de bois du Québec*.

Just to give you a little background, the issue and the problem go back to 1982 where the industry fended off by itself an attempt by the American lumber producers to have a duty put on Canadian lumber. It should be mentioned that at that time the industry spent some $7 million and won its case. The government did not help. In 1986, the Americans started again and this time the government negotiated, on behalf of the industry, the softwood lumber agreement where it bowed to American pressure instead of letting the Americans impose the duty on Canadian softwood lumber and go immediately to GATT. Then the second error had not been made yet. The memorandum of understanding was grandfathered into the free trade agreement. Like other speakers have said, the free trade agreement was there to abolish tariffs and barriers, not to increase them.

• (2130)

Of course, there have been serious consequences to this memorandum of understanding. In my riding alone six sawmills have been closed and 2,500 jobs have been lost. Exports to the U.S. plunged from a high of 88 per cent in 1986 to a mere 5 per cent in 1991. The remaining sawmills are operating at half capacity, not only because of the recession, but primarily because of the 15 per cent export surtax.

At the national level, from 1988 to 1991 Canadian exports have declined steadily, 12 per cent between 1988 and 1991 and 5 per cent in 1991 alone. The share of the U.S. market has dropped from 33 per cent in 1987 to 26 per cent in 1981. When one considers that lumber exports to the United States account for $4 billion a year, 7 per cent is the equivalent of $280 million a year less that the industry is making. This explains the thousands

and thousands of jobs that have been lost to date and the risk of losing more in the very near future.

Today the province of British Columbia is mostly affected by this countervailing duty. It has some 333 sawmills and 700 small ones, which employ a total of 28,000 people in normal conditions and a further 25,000 are employed in the logging industry.

I would just like to remind the government that on top of the increases in stumpage fees that the B.C. industry was already paying, some $650 million had been paid since the inception of the memorandum of understanding and which then bottomed down to a zero per cent surtax because of the increase in the stumpage fees. Today they are back at 14.48 per cent.

An hon. member: A double tax.

Mr. Bélair: Many northern Ontario mills and B.C. mills, as well as Quebec mills, will feel the crunch. There will be thousands and thousands of lay-offs across the country. Who should be liable? Who should be responsible for those? This government should be responsible.

During Question Period yesterday I asked the Minister for International Trade what his government was prepared to do for both the industry and the workers. He avoided the question and now those people are left to fend for themselves and wait for a ruling which we are not all so confident will be in our favour.

This countervailing duty was initiated by the U.S. commerce department and the U.S. in this case, as in all other cases, is at the same time the judge, the prosecutor and the jury.

Given that my time is quickly running out, I would just like to make a few proposals of possible actions or remedies that could be taken by this government. There could be some rigorous inspection of American products crossing our border. What comes to mind readily is fruit and vegetables. There could be rigorous inspections to the point where the transport trucks would back up right down to the the Napa Valley in California. Talking about California, why not impose an import tax on California wines that are in direct competition with Canadian wines? Then the largest state in the United States would receive the same medicine that the U.S. commerce department is serving to us today.

Second, Canada should embark on an aggressive promotional campaign of our softwood lumber and other forestry products in the United States. It should stress the quality of our paper and our fibre and it should underline the impact on home construction to Americans.

To this effect I received a press release today from the National Association of Home Builders, put out by its president, Mr. Robert Buchert and I quote him: "In the last two months we have seen prices soar over 30 per cent" and "As a result of the countervailing duty, home buyers will have to pay as much as $1,000 more on an average priced new home". Then he calls the countervailing duty a protectionist measure.

Therefore, there is a possibility here that we could have the American public on our side.

Just to conclude, I still strongly believe that this is an unjustified provocation. It is an unfair trade practice which is totally contrary to the spirit of the free trade agreement. The Americans are interfering in our politics and we also differ very much on the interpretation of the words "free trade" as both definitions are not compatible at all. For the Americans it is a one way street leading straight to the United States.

To conclude, I would just like to say that this countervailing action, this harassment strikes directly at the core of rural Canada, which is all of northern Canada.

It directly affects the quality of life of 100,000 Canadians. These Canadians are only asking for job security. They want to earn a decent living in a dignified manner.

The least this government could do, with our support of course, is fight until we have used our last ounce of energy in order for ordinary Americans to benefit from the high quality of Canadian softwood lumber.

[*Translation*]

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I am pleased to participate in this debate this evening. I rise not only as minister, but more importantly as the member for the constituency of Bellechasse, which I have the honour to represent and in which there are hundreds and even thousands of jobs related to the forest industry which, over the years, has experienced some prosperity but which is now undergoing an important restructuring for various reasons. That restructuring, especially following the decision that we are dealing with now, could jeopardize many companies whose main operations are in my constituency as well as in other

ones, such as Abitibi—Témiscamingue, and could also put many jobs at risk.

Mr. Speaker, the real issue has to do with the differences of opinions concerning the ability of the Canadian industry to gain a fair share of the market for public forest resources. Our American neighbours seemed to be of the opinion that if our system does not exactly reflect theirs, then it has operating problems.

• (2140)

In fact, Mr. Speaker, the leasing and pricing systems of the Canadian provinces have evolved over time to reflect the unique perspective and social reality of Canada. Those systems work for Canada. The approach of our American neighbours as regards forest management is simply difficult to accept for our government and for Canadians.

Mr. Speaker, I would like to take a few minutes to review the basic management initiatives that were taken, among others, by the Canadian provinces, and compare those to the American way of doing things.

The systems of forestry management in Canada and in the United States may differ, but they pursue the same objectives, namely to draw revenues from public forest lands, to promote the stable and non-speculative development of forest resources and investments in the infrastructure, and to elaborate profitable but also environmentally acceptable practices to protect the numerous uses of forests for future generations.

Mr. Speaker, both systems are aimed at achieving those objectives, but the Canadian system has enabled us to avoid many of the problems experienced in the United States. Let me give a few examples. The revenues from the sale of softwood lumber from most of the American national forests are lower than the administrative costs for each of those forests. Canada is much more successful in achieving its objective, which is to make a profitable venture of the forests that belong to the state and that we call public lands.

In the short term, the American system of cutting lends itself to speculation cycles. At the end of the 70s, American timber companies engaged in a war of speculative submissions to obtain the cutting rights on public lands. That war drove the cost of those rights well over their estimated value at the time. On the other hand, our system of forest management relies more on programs requiring companies to make investments based on long-term commitments and not on short-term forecasts as is often the case with our American neighbours.

The Canadian system prevents the type of short-sightedness and short term speculation that forced the American government to provide massive aid to timber companies. It is the American government that pays for the regeneration of most American national forests that have been cut, as well as for most of the access roads.

In Canada, the provinces have passed most of the costs on to industry. This has been done gradually, in a rational way so that these costs can be borne in the long term. For example, Quebec changed its forestry policy so that Canadian industry must now pay more for wood. On December 19, 1986 the Quebec National Assembly passed a new forestry law which took effect on April 1, 1987. It led to a thorough review of forestry policy and of cutting rights in the province. The charges for wood harvested on public lands are now based on prices in the private sector.

Implementation of this new rate system resulted in a 300 per cent increase in the price of wood. Furthermore, the new Quebec rate structure is based solely on the market price. Quebec producers have also had to pay higher costs for protection against insects and diseases and had to meet stricter environmental standards that increased operating costs.

The American system, however, makes it difficult to enforce environmental standards because the American government long ago transferred most public forest lands to private companies. For its part, Canada maintained control over public forest lands. The Canadian provinces have chosen to maintain most of their forest lands in the public sector, so that the resource can be managed in the long-term public interest.

Therefore, Mr. Speaker, the provincial governments can more easily supervise forests to ensure that companies apply the appropriate cutting practices and honour their forest management obligations. The American system promotes over-exploitation because it is based on short-term contracts. It is less interesting for companies to delay harvesting or to manage their cutting programs so as to make subsequent cutting activities easier and less costly.

On the other hand, the Canadian system promotes a sustained yield over the long term because Canadian provinces require most forestry companies to plan their cutting and silviculture activities on public lands over much longer periods of time. In fact, it is in the interest of those companies to maintain the long-term productivity of the forest that they exploit. This is very simple and the fact that they have reached that level has precisely made Canadians and managers of Canadian forests, both public and private, more aware of the long-term problems of that industry, and it has led them to take measures to preserve that renewable resource.

Not only is the Canadian system of forestry management better than the American model, but it also gets no subsidizing and this is what Canada intends to demonstrate by every possible means. Fortunately, thanks to the Free Trade Agreement, we now have an independent panel for dispute settlement. Canada is the number one ally and commercial partner of the United States. Our two countries have signed the most comprehensive Free Trade Accord in the world. It is not surprising that the way the inquiry is being conducted gives rise to more and more concerns since Canada is being treated like an enemy rather than an ally.

Mr. Speaker, honest trade is based on abiding by equitable, coherent and similarly applied rules. Since my time is running out, I will conclude by saying that again today I received representations from forestry companies in my riding. I want to tell them, on behalf of my government, that with the help of my hon. colleague, the Minister of Forestry, we will take every possible action to protect the interests of Canada and of the provinces. The Free Trade Agreement will precisely enable us—

An hon. member: You should have done it earlier.

Mr. Blais: The hon. member says I should have done it earlier. I have been working on this for five years now. I have even worked with the hon. member in the past and he had seemed quite pleased with my involvement with the U.S. government, especially considering that we won. We won then, and we will win again this time because I am confident in the minister and in this government. Perhaps it is about time for us to bang on the table with our fist. If need be we will do it and we will get the Americans to play fair, Mr. Speaker.

[*English*]

Mr. Bob Wood (Nipissing): Mr. Speaker, we are here tonight to discuss the dismal state of perhaps the most important industry in our country, that being forestry, and the actions and really the inactions of this government.

It is no secret that the policies that this government has been pursuing have crippled this most vital sector of our Canadian economy. All one has to do is really to read the headlines in newspapers from all across the country to get the flavour of what has been happening.

All this has happened with a government that pays lip service to the need for international competitiveness, while at the same time throwing hundreds of thousands of people out of work with its high interest and high dollar policies. Now it wants us to believe that the recession is over.

Somehow I do not think that the 1.5 million Canadians out of work are going to take stock in the government's claims. Moreover, I do not think that the many mills that have closed all across the country from B.C. to Quebec and the tens of thousands of forestry workers who find themselves with no jobs are going to believe this either.

This government has single-handedly destroyed our forestry industry. And just how important is the forestry industry to Canada? Well, over 900,000 direct and indirect jobs are provided by this industry and over 350 communities across Canada depend on forestry for their survival.

This is a critical industry for us, but tonight I would like to focus on a more specific aspect which is why we called for this debate tonight, namely the softwood lumber industry, an industry that has been ravaged by the federal government.

Why did this government bend to U.S. pressure? They used the old the devil made me do it excuse, explaining that the Americans would have levied the tax anyway and that it would be better for Canada to collect the money instead.

• (2150)

Let me assure you that this is little consolation for our forestry industry. Why did it accept the allegation of subsidy at face value without challenging it after it had vowed to fight? Can you imagine what would have happened if the government did not fight? No doubt our forestry policy would be coming out of Washington.

In trying to answer these questions the only answer that comes to mind is that the government wanted to smooth the progress of the free trade talks which were on the Canada–U.S. agenda at the time. It did this by taking a two by four to our forestry industry.

At the time most trade experts felt that Canada would have won this lumber dispute if it had taken it to the GATT, the body governing world trade, for a ruling. Even people like Adam Zimmerman, who is president of Noranda Forest, publicly stated that we should have taken our chances at the GATT.

What has the MOU done for Canada? It has caused countless mill closings and tens of thousands of people to be thrown out of work. It has seen Canadian market share of softwood lumber in the U.S. decline from 33 to 25 per cent, its lowest level in 13 years. But wait, just when you think its bad, it gets worse.

The most important aspect of the MOU and its most dire consequence is that Canada's sovereignty has been directly threatened. Under the terms of the MOU the 15 per cent duty called for could be reduced or rescinded only with American approval. This effectively meant that a piece of Canadian tax legislation reflecting Parliament's sovereign right to levy taxes could only be amended with the consent of a foreign power, in this case the United States.

Somehow in its drive for free trade this government managed to set the most disturbing and dangerous precedent in Canadian history. Big Brother to the south is alive and well and he is watching very closely after all.

There can be little doubt that provincial forestry practices have changed significantly over the five years. Our industry is picking up a greater share of the cost. For example, British Columbia has increased its stumpage fees by 156 per cent. Thank goodness that the leader of the Liberal Party in B.C. has been pushing the government toward action while we still have a softwood lumber industry to rely on. It concerns me that in an effort to move to a more market-based pricing system for timber it is the Americans dictating the pace and our practices. When their practices do not suit them they change them unilaterally. However, it seems we do not have the same luxury.

U.S. companies bid for their timber rights in three to five year contracts. If they guess wrong on what the price of timber will be in the future, and they quite often do, it can be very costly for them. Consequently, in 1984 the Timber Contract Modification Act came into being in the United States to give lumber producers some relief. I wonder if this will be considered a subsidy.

On September 3 of last year the Conservative government formally notified the U.S. administration that it was cancelling the MOU. It took the government five years, after bleeding our softwood industry for almost one billion dollars in additional taxes, to find the spine to cancel an agreement that should never have been in place. All of a sudden, out of the blue our government was talking tough.

On the other hand, the Americans wasted no time in taking action against Canada in response to this decision. They wasted no time in playing domestic politics with international trade. The day that the memorandum of understanding was scheduled to be terminated the Bush administration announced that it would impose provisional countervailing duties on the provinces of Ontario and Quebec and the prairies. After all, the U.S. administration had to be seen to be tough on trade issues if it were to gain the necessary approval to enter into the North American free trade talks with Canada and Mexico. With its latest decision, which slaps on duties of 14.48 per cent, the U.S. administration has reaffirmed that it is more important for it to pander to special interest groups than to honour international trade agreements.

Unfortunately, these acts of political bravado were taken at Canada's expense by giving our already battered forest industry a black eye.

In good times the U.S. is the world's free trade crusader. However, in economic downturns and in election years it seems to suffer from PMS, protection mood swings.

The latest American action effectively undermines our ability to make decisions affecting our resources. The U.S. has sent us a clear message that we need its approval and must play by its rules before establishing our own policies. What is our government doing? How is it responding to the Americans to protect our interests? You had better buckle up, Mr. Speaker, because we have taken the bold initiative of asking the GATT to rule on whether or not stumpage is a countervailable subsidy. To put it another way, the government has asked an organization that the United States has openly shown disdain for and whose rulings the U.S. never abides by to tell us that the way we value our natural resources is okay, even if it displeases the Americans.

To give members an idea of exactly how ridiculous are the claims of the Americans, consider the following. They are now saying that because we have in place a policy that restricts exports of raw logs, this amounts to an unfair subsidy to our industry. This is the next stage of the battle. The argument is that by limiting the amount of raw logs to export markets, more are available to our companies and this keeps the price artificially low.

In other words, we should be penalized for being blessed with an abundance of natural resources and for wanting to develop our economy as opposed to shipping everything out and buying back the finished product. This claim is so unreasonable that the American Coalition of Fair Lumber Imports is split on the issue. The states in the Pacific northwest have similar laws in place because they are facing severe lumber shortages. Indeed, just last December a Portland, Oregon newspaper published an editorial which actually supported Canada's side of this issue.

Not long ago I stood in this House to question the government on another trade threat by the U.S. concerning plywood exports. The government's answer to this was to tell me to stop trembling every time the Americans threatened us on a trade issue. When Congress was threatening an omnibus trade protectionist bill, this government trembled so much that it gave us a free trade agreement where the only thing free was the ability of the Americans to challenge and change any programs we had as a country.

After all is said and done, the fact remains that we are stuck with a free trade agreement with the U.S., an agreement that was supposed to give us free and secure access to the U.S. market. Clearly this has not been the case, as we were promised, and the softwood dispute only serves to illustrate the point. Our government told us when it gave notice to cancel the MOU that it was on solid footing. If that is the case, why has it not responded in a more forceful manner to this latest attempt of harassment by the U.S.?

Finally, the time has come for all members of this House to stand together and deliver a message to the Americans. We must let them know in no uncertain terms exactly what we think of their actions. Nobody wants a trade war because no one wins in one, but perhaps it is time that we started protecting our interests and living up to the spirit of the free trade agreement in the same way that they have. Today it is our softwood industry that is being insulted. Tomorrow, who knows what it will be?

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I am delighted to participate this evening in this debate on what the Prime Minister in his speech rightly called the U.S. high-handed approach towards our Canadian wood producers. It is always most disturbing to see a country which claims to be a leader in international trade, in the elimination of subsidies distorting the export markets and an advocate of so called fair play rules, resort to an absolutely arbitrary and discriminatory 14.48 per cent duty on Canadian softwood lumber.

Mr. Speaker, one cannot help but really wonder about what the Americans think of their trade partner—in this case Canada—in such situations. Their move is almost inexplicable, especially considering its protectionist nature and the fact that it might accentuate distortions on international export markets. It is also a roundabout way by which the Americans do not trade fairly.

• (2200)

This softwood lumber saga is nothing new. The 14.48 per cent duty imposed by the U.S. is not their first attempt at destabilizing our economy. It all started in 1982. In 1986 we had a MOU, and today we have this

infamous 14.48 per cent provisional duty which, according to what we hear, should become permanent later this year.

In 1986, when we put into place the MOU, the Memorandum of Understanding with the United States, it was a shared responsibility with the provinces for, as you know, forest management like all resource management is under exclusive jurisdiction of the provinces. Of course, under the Constitution, the federal government can enter into international treaties or negotiate international agreements, which is what it did when it accepted the MOU with the consent of the provinces.

Americans were claiming then that we were giving unfair subsidies to the industry, which had the effect of distorting the American market. This was discussed with the provinces and we came to the conclusion that by imposing a 15 per cent export tax, we could keep the proceeds on this side of the border. This was a compromise, since the Americans were requesting a 30 per cent tax. We managed to bring it down to 15 per cent. In every Canadian province new structures were put in place, including extensive changes to the way this natural resource was managed, the way the forest was developed. I am thinking about Quebec in particular which passed a new law on stumpage fees in public forests. Stumpage fees charged to companies were increased. Much stricter measures were put in place with positive results. We managed to reduce the 15 per cent tax imposed at the start to 3 per cent.

The government decided to terminate that agreement at a certain point in time because it then believed, and it still believes, that Canada's way of managing its forests did not create any trade distortion and that free market could now give way to competition, to the delivery of Canadian wood on the American market. In any case, the Americans are not doing us any favour when they buy Canadian wood, they need it. They are not being neighbourly, they are buying our wood because it is of high quality, because we can offer it in good enough quantities and because their building industry has needed it at a rate of between 25 and 30 per cent over the last few years.

The Americans are saying we are damaging their industry, so they impose that new 14.48 per cent tariff. A look at our exports show they have decreased in recent years. How much of a "distortion" can we create on the local American market when in fact our exports to the U.S. are decreasing? Mr. Speaker, I think this excuse makes no sense, it does not stand analysis, it can only be explained by narrow partisanship, by the fact that there is an election campaign going on in the States. If one practices excessive protectionism, Mr. Speaker, one reaches a point where the situation becomes extremely paradoxical.

I am thinking of course of all those Americans who will want to build a house during the coming year. By decreasing substantially their importation of Canadian lumber, by adding a 14.48 per cent tariff to the cost of the product, the United States is creating a situation where the onus will be on the consumer, he will have to foot the bill. It will not be only Canadian consumers or Canadian workers, but also American consumers.

You know, Mr. Speaker, that in the United States the economic development or recovery is as bad as ours, if not worse. I think that the Americans took totally arbitrary decisions. I maintain my position. I also agree with what the Prime Minister said, that this is not the way to treat an ally, a friendly country which has signed a free trade deal, the most comprehensive one that exists and that is a model in the present GATT negotiations. You do not treat that way an ally who supported the Americans in several issues these past few years. You do not act that way by giving the excuse that, for a few moments, for a few months, a neighbouring country will develop a higher protectionnist measure than is within the norm in order to satisfy political interests.

Mr. Speaker, the presidential election will come and go, but there will always be people who will have to work with other countries. At the GATT, we also sit with other countries. We know that when Americans decide to be virtuous, as they enjoy explaining it to us at the GATT, we can remind them that it's fine to speak of virtue, but it's another thing to practice it, particularly when they try to impose on us a preposterous 14.48 per cent duty.

I can give examples, because it is possible to say that we, on the Canadian side, are not 100 per cent objective, but rather biased. Take for example companies in Quebec—for the province is greatly affected by this American decision—and think about what Americans have done last March 6. You can state the criterium approximately as follows to apply this 14.48 measure: "are exempted from the countervailing duty all businesses which get their lumber supply exclusively from the U.S., or from private woodlots situated in Quebec, or partly from public forests in Quebec, but in quantities such that the financial advantages of these purchases, according to the American method of calculation, are minimal or insignificant, representing what is known as the *de*

minimis rule in the international trade jargon". This minimal advantage equals 1/2 of 1 per cent.

Let's take for example a company from the riding of the hon. minister, Mr. Blais. For the reference period used in the study made by the U.S. department of commerce, between April 1, 1990 and March 31, 1991, here is how the volume of wood supplies for the Malbèque company was distributed: from the United States, 87.2 per cent, from private woodlots in Quebec, 9.9 per cent, from public forests in Quebec, 2.9 per cent. The so-called financial benefits from such a distribution are only 0.11 per cent, well under the 0.50 per cent tolerated by the department of commerce.

Mr. Speaker, this is another striking example of why, in the government, in the House of Commons, why all three parties have agreed to take part in this important debate on softwood lumber and on the way we have been treated. That is why we will join forces to fight this battle.

We have appealed to a GATT panel. We know that the bi-national panel established under the free trade agreement will go into action as soon as the Americans make a final decision on the countervailing duties, which they should do in late May or in June. At that point, Mr. Speaker, we will fight tooth and nail, we will continue to make sure Quebec and Canada forest industries win their case, which will enable them to continue to export first quality products in the United States according to honest and fair international trade regulations regarding softwood lumber. We will then be able to keep our jobs in this country and allow our families to earn a living with dignity.

[*English*]

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, we have heard the Minister of Forestry outline the history of the softwood lumber tariff. He gave us a virtual chronology of events; not an analysis of the problem, not a clear plan for a resolution of the problem, but a chronology of events.

We have heard the minister for science and technology outline a story about equality at the table: a Canadian judge, an American judge and an independent chair. "We are equal", he said. We are equal all right, equal under American law. It does not take a minister of rocket science to figure out just how equal that means we are.

The softwood memo of understanding has been grandfathered into the free trade agreement, and the minister said: "Thank God for the free trade deal because there is a dispute mechanism".

• (2210)

Let me remind the minister that Simon Reisman, our negotiator in the free trade negotiations, was never able to get Peter Murphy to agree to a common set of rules to govern our trade deal. The rules are based on American laws and the U.S. interpretation of those laws. The dispute settlement mechanism that the minister spoke of, that the minister is relying on to protect our lumber producers, was Canada's fallback position and fall back we did.

Simon Reisman conceded, in Linda McQuaig's book *The Quick and The Dead*:

> —if he had known at the outset that the Americans would not agree to a common set of rules, he would never have gone through the whole exercise. "If they had said (at the beginning), 'There's no way we are going to do that', I'd have thrown in the cards. I'd have gone to the Prime Minister and said, 'Get yourself another boy'."

The Americans won at the table and we find ourselves today in an emergency debate about a new tariff on Canadian softwood lumber.

I would like to thank my colleague, the hon. member for Prince George—Bulkley Valley, for his perseverance and hard work in achieving tonight's emergency debate. I noted with interest the Minister of Forestry who represents a riding in British Columbia, a very softwood dependent riding, did not mention the impact the tariff would have on the beleaguered forest industry in his riding. Worse still, he did not even mention the tremendous burden this tariff would have on the workers in his riding or the small businesses dependent on their incomes.

I would like to ask the minister: What about the workers in Chetwynd and Dawson Creek? More than 7,000 workers in the industry have lost their jobs because of the MOU before this tariff in British Columbia.

I would like to speak to the impact of this tariff in my riding of Mission—Coquitlam. This 14.5 per cent tariff translates into $75 per $1,000. Many people wonder just what is softwood lumber. There may be some people really wondering that. What we are discussing here is 2x4s and other home construction woods.

Some B.C. employers in the industry have said they can absorb some of the extra cost of this tariff, but what will the cost be to the workers? While the industry has said that if it has to pick up the extra costs there will have to be a reduction in production, that means jobs lost.

In my riding in the Fraser Valley lumber mills run from Mission to Coquitlam along the Fraser River. One mill is operating at full production. That mill is Hammond Cedar and it is operating full tilt because B.C. cedar is second to none as a decorative lumber. Every other mill in my riding, the White Wood Mills, the ones that produce housing material, are on half production.

When I spoke today to Dave Tones, president of the IWA Local in my riding, he told me that 40 per cent of his membership is laid off; 40 per cent laid off before the tariff last Friday. He said that every woodworker understands who got them into this mess. They know that the way to turn the industry around is to reduce interest rates, to lower the Canadian dollar, and to get rid of this unfair tariff.

Peter Murphy, the American negotiator in our Canada–U.S. Free Trade Agreement, has been heard to say that he does not think Canada will be successful in fighting this tariff under the dispute mechanism. That is interesting because Canadian lumber does not injure the U.S. The countervailing duty investigation, self–initiated by the Department of Commerce, is not about economic injury caused by Canadian imports but about retaliation against Canada for its lawful termination of the memorandum of understanding on softwood lumber.

The allegations that imports of lumber from Canada cause injury to the U.S. lumber industry are derived from five basic myths. The first myth is that Canadian imports are growing during a period of weakening demand in the U.S.

The fact is that during the past three years, Canada's export volume to the U.S. has declined steadily, falling nearly 12 per cent between 1988 and 1990 and an additional 5 per cent this year.

The second myth is that the U.S. lumber producers are facing a cost price squeeze caused by imports from Canada as log costs rise faster than lumber prices.

The fact is these cost price pressures exist in certain regions of the United States but not because of imports from Canada. They result from a withdrawal of harvest lands for environmental reasons and substantial exports of U.S. logs to Japan.

The third myth is that U.S. lumber prices are falling. The fact is both U.S. and Canadian prices have increased more than 8 per cent since 1988 and were near their peak level in the third quarter of 1991.

The fourth myth is that Canada's alleged subsidies caused Canada to overproduce. The fact is over the last decade Canada's lumber production as a share of total North American lumber production has remained constant.

The fifth myth is that B.C. and Quebec will undo the replacement measures implemented under the memorandum of understanding and reduce the over–all cost to Canadian industry. The fact is that changes in stumpage and forestry measures have been introduced in several Canadian provinces since 1986 for compelling domestic reasons and have become law. There is no reason to expect any changes, nor is there an increased economic incentive to undo replacement measures.

The workers in the forest industry in British Columbia were just offered zero per cent in the first year, zero per cent in the second year, and 85 cents on the base rate in the third year of a three–year agreement. That 85 cents translates to 4.9 per cent on the base rate in the third year of a three–year agreement.

This is clearly private sector industry on the ropes. These are workers and whole communities that are on their knees. They are depending on this minister and the government to defend them. My colleague from Prince George—Bulkley Valley said that we have to keep up the fight at GATT and we have to stand up for Canada, the forest industry, small communities and businesses, and forest industry workers. I concur with that.

We have this government to hold accountable for this serious problem. We will continue to pressure this government to do the proper and right thing, to take the measures that are required and to ensure that this industry does not go the way of the dodo bird because this government is incompetent and incapable of leading this industry out of this problem.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, I welcome this opportunity to take part in this emergency debate on softwood lumber, an extremely important issue for many workers in Canada and in Quebec as well, especially in the eastern townships and Beauce, which are my particular concern.

I fail to understand why the government did not agree to an emergency debate on such an urgent matter when it was first requested. The opposition parties, including the Bloc Quebecois and a few government members, actually had to get together and tell the government this didn't make sense, that we had to react, that there was a serious problem and that we needed an emergency debate. The government resisted and postponed the debate. Today the debate is on. Incidentally, Mr. Speaker, when the Mulroney government gets together with the Group of Seven, it pretends Canada is a really important country, but when we are talking about GATT, all of a sudden Canada is only a very small country, one of 108.

This goes to show how little the government is concerned about the damage it is doing to this country's workers. Well, in any case, we got this emergency debate, a bit late, but we are having it today. This reminds me of what the Minister of State for Agriculture said earlier: Now we are going to act. Yes, but it's too late! Now we are going to act, when the deed is done. And this is more or less what the government is doing all the time. Now we are going to act. Well, it's pretty late to do anything at all, isn't it?

I suggest that members with sawmills in their ridings go and explain to those workers who are going to lose their jobs why this government did too little, too late. Thousands of jobs in Quebec are at stake.

• (2220)

Tonight I want to tell you how off-hand this government has acted with the interests of those workers on this whole matter of softwood lumber. I don't understand this behaviour. I don't understand why they acted this way. Does it have hidden interests? Does it have something it wants to deal under the table, giving up in the process an industry employing thousands of people in Quebec? Because Quebec is a bigger loser in this whole matter of softwood lumber than any other province. Quebec could have dealt with this problem without any help from the Government of Canada and would have done much better.

Today a sawmill sent a closing down notice to the Quebec labour minister; 55 jobs are lost. They had just received this notice about a 14.48 per cent tax, and I will talk to you about it. I can tell you also that I have some ideas about what the Government of Canada should do to try to pick up the pieces.

Now, Mr. Speaker, this government's off-hand way of dealing with the problem of course has been denounced by the Quebec Lumber Manufacturer's Association. Prior to the American action, the association told the Canadian government: Do not give away the 3.1 per cent tax agreement we have with the Americans. Do not do that, you would make a serious mistake. The government ignored it. The Canadian Forest Industries Council had told the government: Do not give away this 3.1 per cent tax agreement we have with the Americans. It's just what we need. If you remove it, we will have a serious problem. And you know our Finance Minister who has more than doubled the national debt, when he had said in his first budget speech that there would be no more deficit in 1990–1991.

That same person, the lord from Toronto, without paying any attention to the Quebec government or to the association representing dozens of sawmills in Quebec, decided unilaterally to terminate the agreement that we had with the Americans at 3.1 per cent. The Prime Minister, decided to do that unilaterally. He said, and so did his minister, that they took political precautions. He had met Mr. Bush who had not given him any answer. As they say today in most American newspapers, maybe he did what Mr. Bush had told voters to do a few years ago, "Read my lips", but he did not read much. One thing is sure, either President Bush is a liar or Prime Minister Mulroney was completely mistaken. But one of them has gone wrong somewhere, and I think he is on this side of the border because, after the American government decided to impose a 14.48 per cent duty on all softwood lumber exports to the United States, the Canadian Prime Minister said that it was the doing of some bureaucrat. Well, the director of the Quebec association told me that more than 65 American senators had signed the petition

circulated by the American organization asking for a countervailing duty on softwood lumber.

If 65 American senators are just bureaucrats, I wonder what kind of political image the government of Canada and its Prime Minister have of the United States, our trading partner. Based on all the information that we had, the American government had agreed that the countervailing duty be imposed province by province. It had even decided what that rate would be. For the government of Quebec, the province of Quebec, the sawmills of Quebec, the sawmills in my constituency, the sawmill Paul Vallée Inc., the sawmill A.D. Bernier, the sawmill Beau Chêne, which all employ some 50 people, it was 3.78 per cent.

The difference between 3.78 per cent and 14.48 per cent means survival for our sawmills. That is the way it is in the constituency of Témiscouata and Bellechasse. The Minister says: From now on, we will act.

An hon. member: It is a bit late.

Mr. Gérin: Where I come from we would use terms that are very close to the word "stupid".

Mr. Speaker, the government of Quebec was not consulted. It complains that it was not consulted and it had an agreement with the Canadian government. So I ask you who is to blame?

The problem for sawmills in Quebec is not the same one as for sawmills in British Columbia and it must not be treated in the same fashion. Gordon Ritchie was the Canadian negotiator for the agreement, among others, on softwood lumber and the GATT. When asked by officials of the Quebec Association: "If there is a countervailing duty, will it be at least a duty imposed by province rather than a national tariff?", Mr. Ritchie replied: "It will be a national tariff because the unity of the country is at stake." Well, Mr. Speaker, national unity just cost 55 jobs at Paul Vallée Inc.. National unity also cost 50 jobs at Beau Chêne and it will soon cost a hundred jobs or so at A.D. Bernier. That situation is not unique to my constituency and I might add that there are 75 constituencies in Quebec.

Mr. Speaker, is it worth it in the name of national unity, for something that could have been done differently, to waste so many jobs and to affect regional development so much? I tell you that it is not worth it. Mr. Wilson claims that Canada is too small to do normal business with the United States. I tell him that Quebec would have been able to do a lot better.

I will conclude by urging the minister to immediately tell Americans that Quebec has jurisdiction over its forests, that Quebec is capable of negotiating an agreement for its own province, that Quebec agrees with the 3.8 per cent rate, and to immediately restore the exemptions for those who import their lumber from the United States to give it an added value in Canada and then export it back to the United States. I am talking about the sawmills from the eastern townships and the Beauce region that are close to the border. I realize that my time is up.

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, like my colleagues who have already spoken, I believe we all share the same indignation, the same disappointment over the event which many consider very serious. According to them, this issue originates from Mr. Bush or, at least, certain of his supporters. So I share this indignation with all my colleagues. In a free trade agreement, where there is a partnership, where the exchange should be fair, it is inconceivable that one partner would take advantage of the other, often in an all too obvious manner.

To all my colleagues, Mr. Speaker, to the government, to the Prime Minister and to those who have spoken before me, I express my disappointment and my indignation.

I must say, however, to clarify the circumstances, that this decision was taken in a particular context. I can imagine, as is the case in some businesses, that you have shareholders who have a more or less twisted way of thinking, who have hidden, circumstantial, or electoral interests, and who have, momentarily maybe, goals which are not those of their companies, but their own. And I understand that in certain political circumstances, one can suspect, since there is a lot going on in the

United States at the present time, that there were, in my opinion, attitudes, decisions and strategies which led to this. Nevertheless, this must not stop us from being against and denounce everything the United States have done in this matter.

• (2230)

I would like however, Mr. Speaker, to recall how all this happened. Everything started on December 30, 1986. The United States and Canada signed, that day, a memorandum of understanding on softwood lumber by which Canada accepted to impose a 15 per cent duty on Canadian softwood exports to the United States. That duty could be reduced or eliminated, and I stress this point, if the provinces applied replacement measures having the effect of increasing stumpage fees or other fees charged to softwood lumber producers.

Consequently, there were, along the way, two measures which were taken, but which would take too long to explain. So when we cancelled the memorandum of understanding, most Canadian exports of softwood lumber to the United States, indeed more than 92 per cent, were subject to much higher stumpage fees and other related taxes. On September 3, 1991, Canada exercised its right under the terms of the MOU to denounce the agreement and it consequently advised the United States that the MOU would be terminated on October 4, 1991.

Before coming to this decision, Canada went as far as using the American accounting method in order to compare the cost of forestry for the provinces to the revenues produced, and this for the four main softwood lumber producing provinces. That analysis, Mr. Speaker, demonstrated indeed that in all those provinces stumpage revenues far exceeded their forestry costs, a situation which gave our government the reasons it needed to pull out of the agreement.

I know, Mr. Speaker, that this decision of the United States has enormous consequences for our industry. The two provinces most affected are British Columbia and Quebec. I share with my colleagues from these two provinces, but also from the rest of Canada, a sense of indignation when faced with the very negative impact of this measure. We will not stand still.

The previous speaker feels free to speak now that he has left the government party, but he might have expressed a few years earlier the concerns voiced by producers that he has just mentioned. It is a shame that, a few year later, a Bloc Quebecois member would come and denounce a policy when he already knew the arrangements we had made with our U.S. trade partner.

I agree with him about the harm done to Canadian businesses, particularly in the eastern Townships and the Beauce area which I know well. To show you how much I share his outrage, I must point out that the Americans seem to be peddling a number of myths to excuse, defend or justify such a move. One of these myths, Mr. Speaker, is to claim that a decrease in the demand in the United States produces an increase in Canadian imports, which could indeed justify the move by the United States to block or slow the flow of exports from Canada into the U.S.

But that is not the case. Quite the contrary. I have a breakdown here of the softwood lumber production and consumption in the United States versus their imports. Let us start with the American production in relation to their consumption. Over a 10 year period, the volume of softwood lumber produced in the United States, in thousands of board feet—that is the measure I have—has gone up from 24.7 to 35.8, an 11 per cent increase in production. We can assume the demand reached at least that level. What about the consumption or the demand in the United States? At the same time, within 10 years, the demand went from 32 billion board feet to 45 billion.

If you remember, Mr. Speaker, I was talking earlier about a domestic-only production of 38 billion, with a simultaneous domestic demand of 45 billion. As you see, there was a surplus in demand. Hence, in 1990, the United States had to find a supplier. They turned to Canada, and to two provinces in particular. But let's look at what we produced and exported to the United States. Within that 10-year period, we increased our production only by 0.3 billion board feet. If you add it all up, the demand in 1990 was of 45 compared to a production of 35. That is a difference of 10, and we only increased our production by 3. So, Mr. Speaker, the United States have absolutely no reason to make such a drastic and unjustifiable decision.

But then, I come back to my initial argument. We can assume, and that will be my final point, that this decision, this initiative, is not justified since the figures and the table I quoted earlier show that, with a demand in the United States in excess of the American domestic production, Americans had every reason to import Canadian softwood lumber. And I want to insist on that in order to correct the mistakes made by my hon. colleague from the Bloc, who seems to have a totally different

vision, which he could have, of course, compared to figures he was, however, very careful not to quote.

We all recognize that something went wrong along the way, and that we have to put things right. Let me assure you that this government, our government and our Prime Minister will see to it.

[*English*]

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, thank you for the opportunity to add my comments to this debate presently before the House.

As we all know, the forestry industry is Canada's largest single industry. It employs over 8,000 people throughout this country. It contributes over $40 billion a year to our national revenue. Of that $40 billion a year, $20 billion of it is in the transfer of payments and comes into Canada as a balance of payments into our account. Not only that, the forestry industry in this country has 8,000 companies, businesses both small and large, that are a direct result of all the products of the forestry industry.

Since my colleagues and I have been in this House of Commons we have pretty well defined the forestry industry into four major areas: the pulp and paper business, the fine paper business in which we are attempting to increase our sales at this time, the speciality paper business like corrugated boxes and so on that are produced by specialty plants in every province in this country, and softwood lumber.

The softwood lumber business and the industry is the reason for this very special and important debate that we are holding tonight on behalf of every sawmill worker and every sawmill from the province of British Columbia, from the shores of Victoria to the province of Newfoundland. It is vital to the future. It is the artery of our economy. If that stops, the economy of Canada stops. We must pledge ourselves in an absolutely non-political way this evening to do whatever we can in order to ensure that the softwood lumber business in this country continues to be viable and strong.

We have heard in the debate tonight how we got into this terrible situation at this time in the history of Canada. My comments are not going to be a dispute on we should not have done this or we should not have done that.

• (2240)

I agree with the minister when he said that the problem we face today is not a direct result of the trade agreement entered into approximately a year and two months ago. By way of historical background we had a very good softwood lumber industry with our friends in the United States, and with other countries. If there was any dispute it was settled by GATT and through normal negotiating processes between the countries with which there could have been some problem, particularly the United States.

That operated for over a hundred years in a very fine manner. If there was a dispute it went to GATT and we presented our case, the United States presented their case, GATT heard the case, there was a ruling and both countries decided to live with that ruling.

Prior to 1986 there were three disputes in which the Americans claimed, your friends in the United States, that there was an unfair subsidy to our forestry industry because of stumpage. Those disputes went to the dispute resolution mechanism in the GATT process. Each time, and after many hundreds of thousands of dollars, those disputes were found in favour of Canada. There was no unfair subsidy in British Columbia, there was no unfair subsidy in Alberta, there was no unfair subsidy in Ontario and all the other provinces in this country. We won that argument. We won that fight on three different occasions before 1986.

Then what do we do? We take a memorandum of understanding entered into prior to the trade agreement being entered into, that caused us some concern, that said that they wanted to go through a fourth hearing before GATT because the United States still felt that there was an unfair subsidy. We chose at that time not to fight it and enter into a memorandum of understanding. This is the folly of where we find ourselves today. The folly of this memorandum of understanding is that it was incorporated into the free trade agreement. By incorporating it into the free trade agreement we lost that wonderful mechanism in which we had been successful on three previous occasions. We now are forced to go

through the dispute resolution mechanism under section 18 of the free trade agreement.

That is how we find ourselves in this position today. All we have heard from the other side of the House throughout this entire debate and for the last two years is what we have gained in this free trade agreement. What we have gained in the trade agreement as it relates to the softwood lumber industry, to our sawmills and to our employees in the sawmills in this country, is simply a method of settling disputes which we had before the trade agreement. We were successful in negotiating those agreements under GATT, very successful, prior to the trade agreement.

That is where we stand today. We did not make any gain. It is a smoke screen when we say that this dispute settling mechanism that we did not have before is what we gained. That is sheer folly. We did have a very adequate dispute settling mechanism that worked to the benefit of all countries.

In my research for this little talk I discovered that there is only one country in the world that has ever brought a countervail against Canada, only one country in the world. That country is our friend the United States of America. In the entire history of the GATT only one country in the world has imposed a countervail duty on Canada and that is the United States of America.

The issue we have before us is supposed to be the softwood lumber industry. Before the memorandum of understanding the United States imposed a 15 per cent surtax on all the lumber we produced in Canada and exported to the United States. By their own admission—and we said on so many occasions that the 15 per cent surtax was an unfair one. We thought it should have been zero. We were quite willing to fight that dispute and take it through the GATT process, but that was now prevented because of the trade agreement. In its new calculation we see how it arrived at 14.48 per cent.

Although I am very concerned about northern Ontario and all the sawmills there, the province that is truly being hurt by this agreement today is British Columbia. In its calculations its stumpage is 6.88 per cent. With that 6.88 per cent and the real issue being logs, what happened is we refused to ship our raw products to the United States for manufacturing so it can then ship them back to us. The dispute is truly centred around the logs.

Having said that, I want to offer this to the House and I do it with a certain amount of respect. I wish they would understand. There is only one thing we can do at the present moment in Canada to get us out of this terrible situation we find ourselves in. I want to end my speech on a positive note. This is not the first time things like this have happened.

In 1971 when the Americans imposed a surtax of 10 per cent on all exports from Canada to the United States, under Jean Luc Pepin we passed a law in this very House of Commons called the Employment Support Act. It had to do with raw materials that were converted as well as manufactured goods. It is a simple act. It is only five pages.

The act is administered by the Minister of Industry. It states what happens if we convert raw materials into another product for export. The purpose of the act is to provide a means by which to support levels of employment in Canadian industry when other countries impose—in this instance being the United States of America—temporary import surtaxes or take other actions having a like effect that adversely affect employment in Canadian industry.

I say that they should set up a board as the act calls for. I wish there were as many people looking into this program in the sawmill industry.

I will just take another minute, Mr. Speaker. Just let me read this section. "Upon application therefore to the board by a manufacturer who establishes that the workforce at his plant is or is likely to be significantly reduced through layoffs during a specified period by reason of the application of measures taken by other countries, that they can make an application and their application will be heard".

I implore this government to take immediate action to employ the Employment Support Act.

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, it is with great interest that I join in this emergency debate tonight. I must say though that it is not with great pleasure, because it is the third time in about 10 years that this debate has come up in our country. I must tell you that, on October 21, 1986, I made a statement here, in this House, about a preliminary decision by the United

States to impose a countervailing duty on softwood lumber exports from Canada.

So my intervention today is nothing new since, in 1986, when the United States acted the same way with regard to our softwood lumber exports, I rose in this House to express the concern of the forest industry and of workers from my area. I said at that time, on October 21, 1986, that the decision made by the Americans was unjustified and unacceptable and that the government, along with the industry, the unions and the provinces, had to express its dissatisfaction and even threaten to take political and trade measures to retaliate against the Americans if they did not reconsider their decision.

So, Mr. Speaker, I would never have thought at the time that, six years later, on March 11, 1992, we would have yet another debate on that dispute with our American friends.

• (2250)

Since the U.S. commerce department imposed this new 14.5 per cent tax on all exports from Canada, the Prime Minister, the Minister of Industry, Science and Technology and the Minister for International Trade have reacted angrily to the U.S. decision to spring this tax on an industry that is so important to a riding like mine.

Mr. Speaker, if you happened to be a worker in the resource industry in Abitibi—Témiscamingue, you would be living in very anxious times.

When I look at our farmers and what they have to go through with the GATT talks and article XI—it is pretty obvious there is a lot of concern among our farmers. They told us all about it, and they know that the government will stand by its position and will continue to fight for clarification of article XI, so our farmers can have some peace of mind.

But now we have another crisis involving the forestry sector. God knows we didn't need that in a recession that has had a severe impact on remote areas. I know how worried they are. I would like to give them the assurance—people have been saying this since the beginning of this dispute a few weeks ago—that we will not back down and that we are going to win, just as we won in 1982 and with the memorandum that was signed in 1986. We will argue our case again, because we know that we are not engaged in unfair competition with the Americans as far as our softwood exports are concerned, and we will prove it.

The problem is that there is always a delay, and every day or week that goes by is one too many when exports are your living, and especially when you have a sawmill that employs 15, 20 or 25 workers. Big companies, although it isn't easy for them either, are in a better position to absorb this kind of tax, especially since we know that in the end it will be refunded because we will win our case.

The situation is quite different for the smaller sawmills which are getting very nervous because they are starting to wonder whether they are strong enough financially to deal with this incredible decision by the Americans. And I think that is where we should start, Mr. Speaker, because we heard several times this evening that this is the third time in 10 years we are having the same kind of debate all over again. Unfortunately, our American friends didn't realize they don't have a good case and that we do.

What are the alternatives, what should we do to try to put an end to this type of harassment by our American neighbours, who as we know are tough business people to deal with? That is why we put in place a framework, like the free trade agreement, with at least some kind of mechanisms to make sure we would have in the future a tribunal to examine any litigation or trade dispute we might have with the United States.

But how can we, at this point in time, help our businesses and our workers, specially the most vulnerable? I think there may be a way. As you know, Mr. Speaker, companies and businesses now have to pay a 14.5 per cent bond, which many small businesses are unable to afford.

Since small businesses in Quebec and in my own riding do not have the financial means to come up with that money, why not ask the government to keep a close eye on this issue? Why do we not ask the government to help pay the bond of those companies, especially since we are sure to win? It is not a big risk for the government to take, but what sense of security would it bring to small and medium businesses which cannot afford to pay that bond. So the government, through the Department of Finance, could help these businesses.

I think that has been said earlier, but it is important to repeat it, nobody wins in that war. In Canada, jobs are at stake, industries which have difficulty making ends meet are affected, but on the American side consumers are the ones who are affected. It is they who, ultimately, will have to pay this 14.5 per cent duty. In this regard, I wonder, if our government should not undertake a huge lobbying and advertising campaign directed at American consumer groups, send delegations to the United States and pay for full pages, if need be, in the *New York Times*, in order to warn American consumers that, ultimately, they are the hostages of that duty. I think that the government should also get involved in this advertising or marketing campaign to warn American consumers that, ultimately, they will be the losers. We should bring them to understand, and they know it, that Canadian lumber is of higher quality. That is why people want our lumber and why we have a good record, Mr. Speaker.

I ask the government to look at these possibilities, helping small companies pay their security bonds while at the same time flooding our American friends with massive advertising aimed at consumers. We should remember, however, that the findings are only preliminary and we should not give up, we should continue to do what the Prime Minister and other ministers have done over the last few days, voice our dissatisfaction, our bitterness and our anger toward the Americans so that they stop this inquiry immediately and not wait till July for the four steps to be completed.

I think we can make them withdraw that decision and it is up to us, as parliamentarians, in co-operation with the industry and the provinces, to let the United States know that it is acting wrongly, that it is not in its interest, nor ours, and that it should review that decision unfortunately taken irresponsibly, without knowing precisely what was involved.

I am convinced, Mr. Speaker, that we will be vindicated as we were in 1982 and again in 1986. As I said earlier, each passing day or week is one too many for our workers to bear. I ask the government to continue putting pressure on the United States administration and commerce department to cease immediately this unwarranted harassment.

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, this issue that is before us tonight is one that is very, very important to many small and large communities across this country.

In retaliation to Canada's October 4, 1991 decision to terminate the 15 per cent export tax on softwood lumber exports to the United States, the memorandum of understanding, the U.S. department of commerce immediately initiated a countervailing duty investigation.

The investigation has resulted in a 14.48 per cent American duty on Canadian softwood lumber exports to the United States. The department of commerce is also demanding that Canadian exporters in all but the four Atlantic provinces start posting bonds immediately on shipments to the United States. They call it the good neighbour policy.

Time and time again, during the free trade debate in this House, the Conservative government promised Canadians that the free trade agreement would secure our access to the U.S. markets.

Look at the reality. Canadian pork producers, steel producers and in the past week Honda automobiles and now our softwood lumber producers are being subjected to this harassment. Obviously we did not get secure access to the U.S. market.

We also mention the non-tariff duties that the Americans are suddenly implementing at the American border for Canadian products going into the United States.

I bring up the case again of a company in my own riding, Eddy Match of Pembroke whose product was stopped at the U.S. border because the "Made in Canada" logo was not in the right place.

• (2300)

That affects many lines of industry in this country. This is the third time the U.S. has induced a countervailing duty challenge against Canadian softwood lumber, and also the third different methodology used in a decade of hassle and harassment of Canadian lumber exports. We were far better off when we had the GATT because at least we could take it to GATT for a ruling.

The Mulroney government should never have signed the memorandum of understanding in 1986. It never even let the case come to a decision. It hurried and signed the memorandum of understanding. We won the

softwood lumber dispute before and we probably would have won it again. Undoubtedly we would have.

The federal government's position was motivated by a desire to avoid any action that might jeopardize the free trade negotiations. This government sold the soul of Canada in order to get a free trade agreement. It said it was going to give us great access to the American markets and it was going to be the greatest thing since sliced bread.

Look at the shape the country is in today. Look how many industries are crossing the border into the United States. This country has to stand up on its own feet and fight in a united way.

We cannot be harassed every time the Americans have an election. I say to them that if they have not any more originality than to bring forward an election campaign in the form of policies, then as the leading democracy in this world, it is time they were looking at their inner souls instead of picking on their next door neighbour in the manner in which they are.

Although Liberals in the forest industry argued for the elimination of the memorandum of understanding on softwood lumber, which should never have been signed by the government for a number of years, given that this is a presidential election period, the timing of the termination could not have been worse.

We have been demanding that this memorandum of understanding be cancelled ever since it came into operation on the first day of 1987. The government waited until election year, and now it is tied up in the domestic politics of the United States. That is bad timing.

The U.S. department of commerce has absolutely no grounds for this decision which is politically motivated and seriously undermines the spirit of the free trade agreement. Some people say: "You should not talk about the spirit of the free trade agreement. You should not talk about the problems surrounding it." Why should we not? It is here. It is reality. We have to talk about it.

In response to this unfair ruling the Canadian ambassador to the United States, Derek Burney, accused U.S. officials of a tortured attempt to manipulate the facts in order to maintain a pre-ordained result.

The Prime Minister himself went into a lashing of the United States on it and then ended up by saying he was aiming at lower officials and not the President. Give me a break. Who is leading the United States?

This is getting so silly. Here we are in a serious situation in our trade negotiations, in our trade relations with the United States and we are blaming junior officials.

Just last Friday, Stone Consolidated, head office in Chicago, announced the closure of its mill at Braeside in my riding in the Ottawa valley. Ironically, when was that announcement made? The announcement of the closure of the mill at Braeside was made at three o'clock last Friday afternoon.

When did the Americans announce the 14.48 per cent duty on Canadian softwood lumber? It was at 12 o'clock noon. The timing leaves a big question mark in my mind as to what is going on and who knows what is going on around here ahead of time. The U.S. commerce department came forward with that announcement and put 140 people out of work, but that is only part of it.

Our members from northern Ontario have spoken here tonight. I know what they have been going through. I have crossed northern Ontario with them. I have seen those one industry towns.

I have seen in my own riding in a village of 1,200 or 1,400 people, the welfare rolls increased by 2,000 per cent in one year. Why? Because the lumber industry was the real base of the economy of that community. When it went down, the community was left without work for its people. As a result, through time their unemployment insurance runs out. Where do they go? They go to the municipalities for welfare.

The issue before us tonight on trading relations with the United States is affecting far more governments in this country than this government. The problem has been inflicted on the provinces because the provinces have to look after the municipalities. The problem of unemployment in the forest industry across this country has been inflicted on the municipalities and the taxpayers in those communities. It is unfair. It shows how ill-conceived moves can disrupt the entire lives of tens and hundreds of thousands of people across this country.

The small communities in my riding, such as Barry's Bay, Wilno, Madawaska, Cumbermere, Golden Lake, Killaloe, Braeside and Calabogie are all affected by this. The forest workers are willing to drive for miles if necessary to get a job. They are workers. But even now when they become unemployed there is very little place for them to go. It is a serious business.

Forestry's contribution to the economy cannot be over-emphasized. It employs almost a million Canadians both directly and indirectly. For example, in 1989 the forest industry provided for 348,000 direct jobs and 540,000 indirect jobs or roughly 1 in 14. I could go on and give other statistics but it is not necessary.

Three key things have affected the forest industry. There is the 15 per cent export tax that was put on under the memorandum of understanding at the end of 1986 and the Canadian high dollar. Another thing that has really hurt has been Mr. Crow's contribution from the Bank of Canada, the high interest rates. The combination of these events and these factors has taken a tremendous toll on jobs and the economy of communities all across Canada and to a degree is the end, temporarily at least, of a very productive way of life. We were better off when we worked under the GATT.

I want to end with this. We talk about the disputes panel under the free trade agreement. That panel will make its decision based on U.S. law. It will be a question of how U.S. law is interpreted. If the U.S. law is not interpreted right, then the American Congress can simply change that law and come back at us again. We were much better under the GATT for decisions like this.

I suggest it is time that the United States, as the biggest democracy in the world, started having a heart with its neighbours. If it cannot run a presidential election without running it on the backs of the international community, then it is time for it to show a little originality in its thoughts.

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, it has been very interesting for me tonight to be listening to my colleagues from right across the country speaking from the heart for the people who they represent, the industries that are in their ridings and the impact that it has on them.

Most Canadians realize the softwood lumber industry has a huge impact on all of us because it is in fact truly the most important, the major industry in the country. It was for this reason that I joined with a number of others in asking the House leader to have discussions with the other parties in hopes that we would be able to reach agreement on having a debate such as we are having tonight. So it really is my pleasure, Mr. Speaker, to be here.

Why is it of such interest to me? There are a couple of reasons. It is where I am from, British Columbia and my riding of Cariboo—Chilcotin. It is common knowledge that 75 per cent of the softwood lumber that is shipped into the United States that is at issue in this dispute comes from British Columbia.

• (2310)

Most people think of the lumber coming from British Columbia as coming from the huge trees they see on the coast of Vancouver Island or the coastal mainland. That is far from the truth. In fact more than 80 per cent of the softwood that leaves British Columbia comes from the interior and the north of the province. My riding alone, one riding out of just under 295 in Canada, is responsible for shipping over 10 per cent of the softwood lumber that goes into the United States.

It is an issue that is critical to my province. It is an issue that is critical to my riding. My constituents all work either in the mills or the economy of the communities in which they live are dependent on the mills. They have not had an easy time of it of late. This continuing trade dispute is having a devastating impact on them and we must get it resolved.

There is another reason why I have such a key interest in this issue. To my knowledge I am the only person in the House who was actually involved for most of this dispute from within the forest industry. I was one of the senior management people within a company. I watched, observed and suffered through the dispute in 1982 in which it was found through the U.S. panel that there was not abuse of the system. We were not subsidizing and that dispute passed on into history.

As several people have talked about today, I was also sitting at the association boardroom tables as we wrestled with the terrible problem in 1986. We knew that we had right on our side. We knew that we should win. We were not subsidizing. Canada does not subsidize its forest industry. We were faced with a dilemma. It was the same dilemma that the provinces were faced with as well as the federal government. We realized that we were in a kangaroo court in the United States, that politically we could not win. We had to make a choice as

to whether we negotiated the memorandum or faced what appeared to be imminent loss of that dispute. Unfortunately, and with great reluctance, the industry, the provinces and the country had to settle for the memorandum.

Since 1988, as a member of Parliament involved with the forestry committee and along with some of my colleagues and other people in the House who have pushed hard to have this memorandum resolved, we have been able to observe the offsetting systems that have been imposed in different parts of the country in different ways. Of course in every part of our country we do operate the industry differently.

Last Monday when I returned to the House in anger, I must admit, I tried to express the outrage I think all Canadians including my constituents felt. At the time I said that the decision had little to do with facts and reality and had everything to do with politics based on the greed and hypocrisy of a few large U.S. lumber companies. I still maintain that is the case.

I am not going to try to substantiate all the data. There have been tons of it delivered down to the U.S. in the last few months, but it is well known that in Canada we do not subsidize the industry. If we did, since 1986 we have more than offset that subsidy. One of the leading officials in the U.S. department of commerce submitted evidence just a year ago that if we had been abusing it in 1986 there had been more than enough offsetting mechanisms put into our system so that we were no longer abusing it, if we ever had been.

I would like to just use a document that actually infuriated me. I will not read it all, of course, but it was put out by a coalition for what it calls fair lumber imports into the United States.

It addresses the house costs. It realizes of course that the U.S. consumer is the one who ultimately pays a big part of this price and it discussed that. It said: "Well really it is not $1,000 or more like people are saying, it is probably more like $200 or $300." But obviously it concedes that it is going to go up by at least the $200 or $300.

Of course what the coalition is not saying is that if it does not go up the full $1,000 then it is the people in my community and in all communities across Canada who are going to be suffering the impact. Somebody has to pay the price for that. It is either the consumers of the United States or our communities.

This coalition from the U.S. goes on to state that it believes that this of course is a very small price to pay and a viable alternative to the serious threat Canadian imports pose to the 15,000 U.S. lumber jobs that were created while the offsetting measures of the MOU were in force. It is indicating how much they have actually taken advantage of the memorandum when it was put in. So while we were losing jobs in Canada, they have been gaining 15,000.

It claims that those are again threatened, but all of the measures that were put in under the memorandum of understanding are still in place and they will remain in place. If anything, they are increasing in nature, not decreasing.

The coalition then goes on to say that putting Americans out of work while importing subsidized lumber will not lead the United States out of a recession. What it is saying is that they are prepared to do it on our backs. This is not a fair representation being made. It is something to suit some of their major industries. It will not be tolerated here in Canada. I am sure it will not be tolerated long even in the United States.

I would like to close by asking whether we will win. Yes, we will. As I said, I agonized through the decision in 1986. We would have won then if we had had the dispute settlement mechanism that we have won now through the free trade agreement.

Over the last few days, I have heard many people say that that is not enough for the free trade agreement to give us, that dispute settlement mechanism. But I can tell you, coming from the forest industry, when I heard initially about the terms of the free trade agreement, I can assure you that in my mind, as well as in the minds of most of the leaders in the industry, it was recognized that the free trade agreement with the dispute settlement mechanism was the best protection we had from those in the United States who would try to take advantage of those of us in Canada.

I say it is unfortunate the United States had to pick on us in Canada, their closest neighbour, their closest ally and friend throughout the world, and yet they chose to pick on us. It will not be soon forgotten by those of us in Canada.

[*Translation*]

Mr. Bélair: Mr. Speaker, considering how late it is, I believe you would find unanimous consent in order to free the pages.

The Acting Speaker (Mr. DeBlois): Is there unaninous consent?

Some hon. members: Agreed.

[*English*]

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, this is a very serious discussion we are having this evening, rather than a debate as it was characterized by several of the previous speakers.

It is very serious for Canada as a whole, but particularly serious I would suggest for the province of British Columbia.

In the last 10 years at the most, perhaps even a little shorter period, some 40 per cent of the 30,000 IWA members who were working in the woods of British Columbia and in the sawmills have lost their jobs.

• (2320)

Part of it was due to technological change and part of it was due to the depressed markets we are experiencing right now. Who knows where it is going to end?

We do not need this MOU dispute right now. We do not need this dispute with the Americans about selling our lumber to the States. I can recall attending a tourism presentation in the community of Ladysmith in my riding a year ago last summer. When the representative of the tourist department was introduced, she said: "Tourism is increasing to the extent that one day tourism will take over as the most important economic activity in British Columbia". When it came my turn to speak, I said: "I hope that day never comes because if the forest industry sinks so low that anything overtakes it in British Columbia then we are in real serious trouble".

The same thing applies to the whole of Canada. It is by far the greatest generator of foreign exchange that we have. Grains and oilseeds come second but a poor second. It is the products from our forests that we must keep producing if we are to be able to maintain the standard of living we have in Canada, if we are to maintain the level of economic activity we have in this great country.

There have been several disputes and the government is relying totally on the dispute resolving panels, the dispute settling panels, and saying that when it goes there we are bound to win.

I can recall the first one. It had to do with west coast fisheries. Of course we were confident there too. We knew right was on our side. We knew we had to have control of that resource if we were going to be able to husband it properly.

We did not win. We lost partially. We lost control of 20 per cent of the fish, and the American response through their trade representative was to the effect: "Well, that is all right for now, but we are not going to rest until we remove those restrictions entirely so that we have access to all of the fish being caught in British Columbia".

They do not mind us husbanding the resource. They do not mind us managing it and spending the money on it, but they want access to it for processing. They want the jobs that go with the processing industry. It was the processing industry representatives themselves who made that argument in Ottawa as well as in British Columbia. They know what is happening. They know that the Americans want those jobs down in the States.

During the free trade debate before it became law in this country or in the States, the arguments being put forward were to the effect that what was really at stake, or what the issue really was, was the tremendous trade imbalance between Canada and the U.S. The U.S. wanted to correct that imbalance from its point of view. It wanted to reduce the imports from Canada and increase the exports to Canada. To do that it has to make sure that we more than ever before become simply hewers of wood and drawers of water; let them do all the processing and let them send the processed goods back to Canada.

I fear this is what the Americans have in mind with respect to our softwoods because they have said that one of things bothering them is the fact that we control the export of round logs. They are doing the same thing but that does not matter. What they are doing is okay, but for us to do it is wrong because it does not give them the access that they want to our raw material. It goes not give them the right to manage our forests in the way they

want, in the way they want to look after the fish to their own best advantage.

I am afraid that is where we are heading: to the point where the U.S. will once again win this battle for control of our sovereignty, take control out of our hands of the way in which we manage our forests.

The government has a responsibility and I know it is going to fight this. It keeps telling us it will fight it. Let us turn to the history of the dispute so far. We have lost with the west coast salmon. We lost with the east coast lobster. We won on the pork temporarily, but we have been told over and over by American trade representatives that the battle is not yet finished because they have not yet won. It is not over until they win. That is their attitude.

The beer issue is not totally resolved yet but so far they are winning. They are winning on the Honda cars. They are winning on magnesium and aluminum and they are winning on steel. They are winning every dispute. The only one they have lost, as I say, they are taking to be just an interim matter until they can have another go at it and win eventually. They are determined to win on all of these issues. There is little doubt about it.

The Americans are going to come to us and want our lumber in the not too distant future. This recession/depression will come to an end. Things will improve. They are going to need more houses. If they are going to build more houses, they cannot produce their own lumber fast enough to do it. They are going to need some of ours.

In the meantime, we are slaughtering our forests, in some cases high-grading in order to ship lumber out at a minimum loss, not at a profit. None of the companies in British Columbia, none of the large ones at least, are making anything out of their logging and sawmilling these days. It is just a matter of trying to recover not all but some of their fixed costs while they keep operating and hoping for a turnaround.

There are jobs to be done. There is a tremendous job of reforestation still to be done in the province of British Columbia. There is a lot of work that could be done to improve the productivity of our forests all over the province of British Columbia and, I would suggest, all over Canada. The government, in its budget that came down just a couple of weeks ago, went through a process of foregoing some $1.5 billion in tax money. It cut taxes that are really not going to help anybody very much. It is cutting income tax to the extent of half a billion in one year, $1.2 billion in the second year. It does not put much into the pockets of those of us who are spending the money. We will not really notice the difference. It is putting money into the pockets of the manufacturing and processing industries which are profitable enough to be paying taxes. The ones that are not making any profits do not get any help. It is just the ones that are paying taxes, those profitable enough.

If all that $1.5 billion it is going to forego in the one year from these items, as well as the cuts in National Defence, were put into a project to rebuild the forest, to make the forest more productive throughout Canada using the same workers who are out of work, using the same companies which are suffering right now with their administration, we could be building our forests up to the point where, when the market turns, when the demand is there and when the prices make it worth while cutting these trees and making this lumber and shipping it out, we will be able to do it to much better advantage than we are doing right now.

That takes planning. It takes a government with confidence in the future of Canada, some confidence in the workers of Canada, some confidence in the industry of Canada. It could be done; the money is there. We need not have given it back to people who are not going to notice the difference. We could have put it to good use, as I say, rebuilding our most important renewable natural resource that we have in this country, apart from the people.

It takes planning, it takes determination, it takes intestinal fortitude. Unfortunately, I see little evidence that this government has any of those things sufficient to do the kind of job that has to be done to save our forest industry, to save our forest workers and even to save the forest industry itself.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the region of Abitibi-Témiscamingue—

Some hon. members: Hear, hear.

Mr. Saint-Julien: I appreciate the applause from my friends, the Canadian foresters.

Mr. Speaker, the region of Abitibi-Témiscamingue is one of the largest forest areas of Quebec and Canada. Following the shameful decision taken by the Americans against the Canadian forest industry workers, I would like, for all economic stakeholders and workers of my region, to explain how the American forestry management system works.

Quebecers know very well how the system works in their province, but many do not know how the American system. The Canadian and American forestry management systems may differ, but they aim at the same thing: make money with public forests; encourage a stable and non-speculative development of forestry resources and investments in infrastructures; and elaborate viable and environmentally rational practices which preserve a multiform use of forests for future generations. Both systems try to achieve all this. However, the Canadian system has avoided many of the problems which its American counterpart ran into.

• (2330)

Canada provides for the needs of the United States. In the last 40 years, the United States have used more lumber than they have produced. The American forests simply cannot supply the current and future domestic needs. The homebuilders and other American users of lumber products are considering Canada as a second source of supply. Canada has maintained for a long time its share of the American market, and succeeded in keeping it quite steady, since the United States have to import softwood lumber. Its share has been around 30 per cent for 10 years.

Mr. Speaker, the American revenues from softwood lumber sales do not exceed costs. The revenues from the sale of lumber coming from most national American forests are lower than the management cost of each of these forests. A study commissioned by a sub-committee of the House of Representatives concluded that $5.6 billion U.S. had been wasted in the last 10 years by the American Forest Service as part of the wood selling program, mostly because of its expensive and heavy bureaucracy.

The study also concluded that according to the Forest Service's accounting system, only 18 out of the 120 public forests have covered their expenses in 1990. As for the 102 remaining forests, the american government actually lost over $365 millions U.S.

With the American system, it is hard to control the respect of environmental standards. The American government transferred long ago most public forest lands to private companies. As most of these lands are no longer supervised by the American government, it is much more difficult to enforce environmental regulations in the U.S.

The American system invites over-development because the system is based on short-term stumpage contracts. Companies have less incentive to delay harvesting or to manage their cutting program in such a way that the following cuts require less effort and less cost.

In the U.S., the bidding system furthers speculation and instability. In the short term, their cutting system lends itself to speculation cycles. At the end of the 1970, American forest companies started a war of speculative bidding to obtain cutting rights on public lands, which pushed up their price well above their approximate value. In 1984, the U.S. Congress had to buy back $2.8 billion worth of these purchase contracts at a net cost exceeding U.S. $400 million to the taxpayer.

Under the American countervail legislation, the total amount of $2.8 billion would be considered a subsidy. The U.S. government assumes a higher share of the forest management and development costs. The U.S. government pays for most of the regeneration cost of its national forests. It also pays for most of the access roads, which is a major cost as this 360,000 mile system are nearly eight times the length of the interstate highway system and would go 14 times around the world. In 1989, the U.S. spent $97 million on access roads.

In summary, softwood lumber imports from Canada have not hurt the American industry, and nothing subtantiates the allegations concerning Canadian subsidies. Every year since 1988, on average the American softwood industry has been performing better than other industries in the construction sector.

Mr. Speaker, two factors can account for the difficulties of the American industry, especially the softwood lumber industry: the diminishing demand, which was aggravated by the economic recession, and the shortage of softwood lumber supplied to the western states.

In conclusion, the United States apply a very simple standard to locally produced softwood lumber. When their softwood lumber industry needs a subsidy, it gets it. When it needs export controls on raw logs, it gets them, but it applies a different standard to softwood lumber imported from Canada. What is fair trade one day can become unfair trade the next.

Testimony given under oath to the American Congress in February about the absence of subsidy was the excuse for instituting an inquiry for the purpose of establishing a countervailing duty in October.

Canada is the first ally and main trading partner of the United States. Both countries have signed the most encompassing Free Trade Agreement that exists in the world. It is not surprising therefore that the way it conducts this inquiry would worry Canadians since Canada is considered more a foe than friend.

Loyal trade implies a respect for equivalent and uniform rules applied equally to everyone.

Mr. Speaker, we must ensure the survival of the forest industry in Abitibi, in Quebec and in Canada. We must fight this American measure which is a disgrace; we must fight it all the way and win the case for the lumber producers of Quebec and Canada.

[*English*]

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, let me stress for a moment how important forestry is to many Canadians. In Alberta alone there are 66 forestry manufacturing companies. A spokesman for the B.C. Council of Forest Industries today told me that there are 333 larger softwood sawmills in the province and hundreds more smaller ones. In normal conditions the B.C. mills employ about 28,000 persons directly and another 25,000 in logging operations.

The viability of all sectors of our forestry industry must be preserved at all costs because there are about 350 Canadian communities which are forestry dependent. The total forested area of our four western provinces alone equals the combined land area of France, West Germany, Spain, Austria and Hungary.

It is, of course, a vital industry in Ontario and Quebec and the Atlantic provinces as well.

As of this week, Canadian mills outside Atlantic Canada shipping softwood products to U.S. consumers must pay an import bond equivalent to 14.5 per cent of the shipment's value. Competitors in the U.S. thus reap an overnight price advantage of whatever tariff amount is eventually decreed to apply. Keep in mind, sir, that in the case of, say, B.C. the provincial stumpage fees have gone up about 15 per cent as a result of the infamous Washington–Ottawa memo of understanding of 1986. Keep in mind also that the B.C. mills have seen their revenues on U.S. exports drop by an estimated one–fifth since 1986 as a result of the rise in the exchange rate of the Canadian dollar.

A mining engineer friend of mine puts the point here quite well, and I quote: "Those running the Government of Canada are now dumping about 300,000 ounces of the Bank of Canada's gold reserves monthly in an effort to keep the dollar above 84 cents U.S. The high dollar has wrecked our manufacturing exports and is now doing the same thing to our natural resource exports." The situation which has now developed could result in the closing of B.C. and other softwood mills across Canada.

At the end of the Tokyo round of GATT I am told that approximately 90 per cent of the lumber products entered the United States duty free. In 1983 U.S. lumber producers instigated a countervail action against our products but the U.S. commerce department held that the exports at issue were not subsidized by the stumpage arrangements of the provincial governments in place. I am told by Mel Clark, who has been professionally involved in trade issues for successive Canadian governments for three decades, that one reason for the favourable ruling was because the American officials worried that the Canadian government of the day could have won the issue before the GATT tribunal. That GATT tribunal had previously held that stumpage is not an export subsidy.

In 1989 the Canada–U.S. Free Trade Agreement of course began to apply, thus taking us out of GATT for purposes of countervail. Under the FTA if Canadians have a complaint about U.S. countervail, article 1902 of the FTA provides that panels must decide the legality of U.S. countervailing duties on the basis of U.S. law. They are limited to deciding whether the U.S. government has correctly applied American law. Under GATT, the legal-

ity of U.S. countervail duties are judged on the basis of GATT law.

In addition, FTA article 1902.2 permits the U.S. to change its countervailing duty without Canada's agreement. In contrast, again, GATT rights and obligations can only be changed by agreement among the countries that negotiated, of which of course Canada is one.

I understand that section 409 of the FTA establishes a new track for U.S. industry to petition for non-tariff measures to gain an advantage over Canadian exports.

• (2340)

This can be used to nullify Canada's GATT rights relating to subsidies and countervail duties and is unique in that it applies only to Canada. The adverse implications for Canada can be illustrated by two examples.

First, section 409 nullifies the GATT injury tests and establishes a much softer alternative criteria for action against perceived subsidized Canadian exports. Second, GATT limits counter-subsidy action to a countervailing duty equal to the subsidy, but section 409 permits the use of a range of non-tariff measures that could provide much more protection than the duty equal to the subsidy.

In short, under the FTA, Canadian exporters, including softwood lumber producers, are much more vulnerable to U.S. harassment and restriction that they were under GATT. The longer term consequences to U.S. countervail laws could be very detrimental to Canada-U.S. trading relations.

We have heard much huffing and puffing from the Mulroney cabinet about going to the binational dispute panel under the FTA. They do not mention that other remedies must be exhausted first. More important, they do not say that the binational panel can only say if the U.S. applied its own law correctly.

If the U.S. loses the case as it did on the pork case, it can under section 409 of the U.S. implementing legislation simply change its law. It is worth noting here that it was the U.S. federal government itself that began the countervail action against our softwood lumbers last week, a very rare occurrence.

In short, Canadians should be very skeptical about our chances of winning before a binational panel four, five, six months from now or longer. Similarly, concerning the retaliation bluster against the U.S. from various cabinet ministers, do they know that under the FTA we can only have retaliation if we have a legal right to do so?

There is no right to do so until the binational panel first renders a decision, likely as I indicated, many months away. If Canada retaliates without a legal basis for doing so, the Americans can invoke other provisions of the free trade agreement against us. In short, they get the right to retaliate against us. As we all know, they have lots of guns in their arsenal.

It is very late, almost twelve o'clock. I understand that you will by unanimous agreement not be seeing the clock until all speakers have spoken. I understand that is the case.

In conclusion, the United States department of commerce has absolutely no grounds for its decision which is politically motivated, unjustified and hypocritical. It also seriously undermines the U.S. government's commitment to the *raison d'être* of the present Canada-U.S. free trade agreement.

I could not agree more with the words of our present Ambassador to the United States who has accused U.S. officials "of a tortured attempt to manipulate facts in order to obtain the pre-ordained result". I hope that our friends and trading partners south of the border will come to their senses before they wreak absolute havoc among literally hundreds of thousands of Canadian families.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. Parliamentary Secretary to Minister of Forestry rises on a point of order.

Mr. Champagne (Champlain): Yes, Mr. Speaker. Given the importance of the debate tonight and following discussions with my honorable colleagues from the Liberal Party and the New Democratic Party, if anyone wishes to rise after the scheduled time, I think there is unaninmous consent to allow this.

The Acting Speaker (Mr. DeBlois): The honorable members have heard the honorable member's suggestion. Is there unanimous consent to go on past midnight,

which was the time mentioned in the motion passed earlier in the day?

Some hon. members: Agreed.

[*English*]

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the United States is the bastion of free enterprise, right?

Mr. Angus: What century?

Mr. Friesen: It all depends on how you define free enterprise in American terms. We have seen plenty of examples on how they modified the definition of free enterprise in the United States.

In the agricultural industry, if they are short of water, they bring in the army corps of engineers. They level the land, they bring in the water and it is free to the farmers. Of course, that is not a subsidy, the Americans have the power to do that without billing the farmer.

Then they can produce cheaper products and ship them into Canada. However, that is not a subsidy, it is free enterprise. I have seen it all too often. They impose non-tariff barriers at the border and simply allow trucks to sit there for a while while the customers wait for the product. The merchant in Canada is waiting for a product and finally cannot wait any longer and gets a different supplier. However, they believe in free enterprise.

There are land banks in the United States which reduce the amount of acreage which they put into crop and therefore create an artificial supply. They pay the farmer to keep that land in a land bank. They create that artificial shortage and thereby keep the price up. However, that is not a subsidy, no, no. That is free enterprise in the United States. Who says that they are fair traders?

For them, might makes right. They think they can get away with it. Many times they do and it encourages them to do it some more.

The background to this particular issue, the countervail on softwood lumber in Canada which probably hits my province the hardest, is not the last few years. The U.S. department itself agreed that this is not a subsidy. It goes back several years to the practices of the U.S. forest industry. U.S. forestry companies bid on the price of the woodlots which supply their logs. In the late 1970s the U.S. timber companies engaged in a speculative bidding war for stumpage on U.S. forest lands. That drove the cost of these cutting rights far above their appraised values because there was a short supply.

They have fear in their free enterprise system. They were afraid that they would have a shortage of logs and therefore the price went up.

In the intervening years between the end of the seventies and the beginning of the eighties there was a slump in the market and they had bid far too high for their timber rights, for their logs, for their supply. They could not sell, the market was depressed and the timber companies were in trouble. In 1984 the U.S. Congress had to buy out $2.8 billion worth of these purchases at a net cost to the taxpayer of over $400 million. Of course, that is not a subsidy. When the U.S. timber companies are in trouble and are bailed out by the U.S. taxpayer, that is not a subsidy. However, a stumpage based on fair price is a subsidy.

Somehow there was a redefinition of the free market system and free enterprise by the Americans. The trouble goes back to the mid-seventies when they were bidding too high and they could not afford to pay those prices in a depressed market in the early 1980s.

That continues to the present day. One of the issues is the supply of timber for the American companies. Oddly enough, they refuse to export logs outside their states or outside their country because they need them all. I do not blame them. They need them all for their industry.

However, the same provision holds true for Canada and that is deemed to be unfair. They need our logs to keep their mills going. There is a shortage of supply. One of the reasons is because of the spotted owl decision in the United States which resulted in thousands of square miles of land being taken out of production. The U.S. court system took it out of production and the timber companies cannot get at it. Therefore they need timber. If they cannot get at theirs they want to get at ours. If they do not export logs, that is okay. However if we do not export logs, that is wrong.

The problem with the American free enterprise system is that if they cannot beat their competitor they beat up their competitor.

• (2350)

We have seen it with the Japanese and the semiconductor problem where the Japanese created an incredibly efficient industry in Japan and were shipping products into the United States. The American industry could not compete any more. So what did they do? They dumped on the Japanese as though it were the Japanese who were wrong.

We saw it a few years ago in Detroit when the American car industry was no longer competing with the import industry because the import industry from Japan was very smart. The Americans were still building gas guzzlers and nobody wanted to buy them.

What did they do? The American workers bought a brand new Toyota. It was parked outside the plant and then the workers paid one dollar each to smash the Toyota as a symbol of their anger against Japan for competing against their inferior product.

Their system is if you cannot beat the competitor, beat up the competitor. That is what they are doing to the lumber industry in Canada today.

We have a very efficient industry. As my friend from Nanaimo—Cowichan mentioned, there has been a reduction in the workforce many times over since I worked in it years ago. When I worked in it at the turn of the century, about 1950—

An hon. member: Which century?

Mr. Friesen: Which century. There was a workforce of 75,000 to 100,000 in British Columbia. Today it is down to 30,000 or 25,000 partly because of restructuring the industry, partly because of ersatz materials, but it is creating a problem for our workforce.

We have a very competitive industry, a high-tech industry in Canada. If the Americans cannot compete, that is their problem as long as there is a level playing field. But what is fair to them is not necessarily fair to any other outsider who was watching the way they carry on.

For all that has been said about the free trade agreement, we would be in terrible shape today if there was no opportunity to go to a higher court of appeal. There we can take part and be part of the dispute settlement mechanism itself. We can have our people on the panel so that there is a fair election of the chairman of that panel and we become part of the decision-making process to make sure that it is fair and honest, with objective criteria, rather than the way they have functioned.

So I say that we have to carry on and be united in this country in our opposition to the American tactics. We cannot let their artificial shortage of logs allow them to create an excuse to destroy our industry. We cannot allow them to smash us just because they cannot compete any longer.

I appreciate the kind of debate that has been going on here tonight. Members from all sides of the House have banded together in a show of unity that we cannot allow the Americans to do this to us.

We are united in our concern for the employees, the workers, the companies, the payrolls, the products of our country. We stand together to make sure that we win this battle against the United States.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, before starting I would like to say to the hon. member who just finished that the speech he gave was an excellent speech. It is one of the better ones I have heard from that side of the House in a long time. I was very pleased to hear it.

[*Translation*]

Before getting into details about the way the United States treat our softwood lumber exports, I would like to say a few words about the forest industry in Canada and its importance to our economy.

You will agree, Mr. Speaker, that this will be the canvas that will allow us to better illustrate what is at stake in the matter we are debating tonight in this House. So when considering the importance of the forest industry, it is important to realize that our country was built partly on that industry. In fact, for a long time, it was the pillar of our economy. It still remains today one of the main building blocks of our country.

The importance of the forest industry to the Canadian economy is undeniable. Canada has 4.36 million square kilometres of forest. That represents about 176 square metres for each of the 25 million Canadians. Our wooded territory covers more than twice the area of the European Economic Community, nearly twice the area of Mexico and accounts for 15 per cent of the world's forests.

The forest industry provides employment for nearly 300,000 people directly and 750,000 indirectly. In 1988, more than $30 billion of forest products were exported. One seventh of manufacturing income is forest-related and forests contribute more than $17 billion to Canada's net balance of trade—more than agriculture, fishing and mining combined.

Forestry is a bigger industry than automobiles and oil. Canada has the second largest supply of softwood in the world, after the former Soviet Union, and is the leading exporter of softwood lumber. By the way, this fact reminds us of the importance of what we are debating tonight.

Furthermore, Mr. Speaker, Canada produces one third of pulp exports and 63 per cent of all newsprint.

Canada produces about 16 per cent of all the world's softwood lumber and should continue to do so during the next decade. In addition, Canada accounts for about 40 per cent of all the international trade in this product, since it exports 70 per cent of its production.

In 1989, Canadian production of softwood lumber amounted to some 59 million cubic metres, compared to 45 million in 1980. Scattered across the country, most sawmills are small and employ fewer than 100 people. British Columbia provides 61 per cent of the softwood lumber produced in Canada, followed by Quebec, with 18 per cent; Ontario, with 10 per cent; Alberta, with 7 per cent; and New Brunswick, with 2 per cent.

Nearly three quarters of British Columbia's production is exported, compared to half of the production in other provinces.

What is most troublesome about our present trade situation with regard to forest products remains its vulnerability.

This weakness is evidenced, to some extent, by the limited number of markets and even more so by the concentration of production around just a few products. Besides, since wood is a commodity which is becoming increasingly scarce, thus bringing closer the cost and the price of products of a lesser value, there might be a possibility for improving our exports by eventually resorting to products with a higher added value.

Moreover, the industry should decide to diversify its products and markets by using new technologies in order to be protected from economic fluctuations.

The future of this industry is at stake and Canada has resolutely entered into a transitional period of forest ressources management and development. So the pace of this transition—in this case, the change from essentially extracting forest products to adopting a more cultural approach—must be accelerated without forgetting however the importance of adhering to the principles of integrated management for the entire Canadian forest ressources.

[*English*]

Mr. Speaker, you and others may wonder why a member from Atlantic Canada would stick around here all night to speak on this issue since it does not affect Atlantic Canada. I must say that I have a very strong interest in forestry. My riding is very intensely based on the forestry industry. Also, as a Canadian member of Parliament I have an interest in Canada. This a national issue. It is not just because British Columbia, Alberta, Ontario or Quebec is having a problem. It is an issue that all Canadians must address.

• (0000)

I think that we have to look at it also as an issue of sovereignty, an issue where we must protect what we have. I do not mean by following some of the ideology that the Americans are using at the present moment. I am saying that we must not look at it in an anti-American movement. We must start looking at a pro-Canadian movement. If other countries are going to harm our industries then we have to start taking some action.

With regard to British Columbia, I want to speak in a little more detail. I know that the Liberal leader in the province of British Columbia, Mr. Gordon Wilson, has expressed his very deep concern with the state of affairs. The Liberal critic for the forestry sector in the province of British Columbia also issued a press release recently. I would like to quickly quote his statement. He says: "Lumber manufacturing operators in B.C. will be devastated by the new tariff on softwood lumber". That in itself is reason for me to stick around this evening to say something about it and try to convince our neighbours to the south that what they are doing is completely wrong and immoral.

I would also like to commend the members of the House who have spoken so far in trying to build a unified type of approach to the issue here. Maybe government members could go back to their ministers and say that it is a very national and very important issue, as it evidently is as we are all here this evening debating it so late, and that we should take some lobbying action in the United States and internationally.

My colleague from Cochrane—Superior put it very well earlier this evening when he mentioned that we must start looking at some type of retaliation, whether it is on fruit and vegetables that are coming in from California, whether we must start enforcing Canadian standards on American forest products that are coming in, whether we must just take that advertising campaign with regard to advising the Americans that their home costs are going to escalate because of their own tactics. I think it is important that we take some very definite steps.

I congratulate all members from all parties for the positions that have been taken here tonight. It has been very responsible and it is very refreshing to hear some of the comments this evening.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I believe it is important that I take the opportunity this morning to add my perspective to the decision made by the officials in the United States this week with regard to softwood lumber exports from Canada to the U.S. In doing so, I want to go back in time a bit.

I have been in this House since 1984. Early in my tenure here I remember my colleague from Skeena who, quite frankly, was a voice in the wilderness warning all of us, not just the government of the day but our own caucus and the Official Opposition, about the potential threat from the American Congress, the American administration and the American lumber lobby as they agitated toward an attack on Canada's softwood lumber producers. The member for Skeena was very persistent. Regretfully, everything that he warned us about has come to pass.

When he said back in the mid-1980s that we had to fight to the end the attacks by the American lumber industry, he was right. The Conservative government caved in. Instead of going through with the existing, dare I call it, dispute settlement mechanism in the States, the government caved in and imposed our own 15 per cent softwood lumber tax. It has been suggested that part of that caving in was because of pressure from the Government of British Columbia, the then Social Credit government that saw a windfall profit for itself because eventually the money from the 15 per cent tax would come to it.

My colleague, the member for Prince George—Bulkley Valley, has taken on the mantle from the member from Skeena. He has done a remarkable job in terms of keeping the issue alive and of making sure we were on top not only of the issue and not only of American politics, but of the wheeling and dealing among Canadian provinces and the federal government. It was he who raised the fact that Bill Vander Zalm and the Socred Minister of Forestry were keeping the Americans in touch with the negotiating strategy of the Canadian provinces and the Canadian government. In other words, they were selling us out as fast as we could make a tactical decision as to how the American pressure could be dealt with.

My colleague from Skeena—and this is in response to the member from the Liberal caucus who just spoke—pointed out the fact that years ago, before the imposition of the 15 per cent surtax, one of the ways in which we could have defeated the American pressure was to launch a massive government funded advertising campaign in the United States to point out to American consumers what they are now being reminded of, the fact that it is now going to add $1,000 or $1,500 or whatever it is to the price of a home because of the decision by the American government.

We wanted to do that back then to help make our case, but the government of the day, the same government there is today, said: "No, that is not the way to go".

I come from northwestern Ontario where after the fur industry, lumber became the next most appropriate means of creating wealth. We use our forests for both primary and secondary industries, so softwood lumber is extremely important to us. All of us in the northwest have sawmills in our ridings. All of us in the northwest have logging operations. All of us have pulp and paper manufacturing facilities. They are all inter-related. Even though we are talking today about softwood lumber which is really the sawmill operations, there is an inter-relationship because the chips and the waste products go off to the pulp and paper industry to assist it in its

viability. Every sector is affected by the American decision.

In the riding I have the honour of representing I have a range of forest based industries. I want to use as an example one community, Atikokan, and more particularly Suphowie, a neighbourhood settlement where Atikokan Forest Products has its base. Not too long ago that sawmill was in real danger of disappearing, in large part because of the original 15 per cent softwood lumber tax. As part of an economic impact analysis and as part of an attempt, a very successful attempt, I might add, thanks to the Bob Rae government in Ontario, we were able to ensure that mill and a neighbouring mill were going to survive. We looked at the economic impact of that one sawmill. It was not a very large sawmill, it had 160 full-time workers commuting from Atikokan about 30 miles out. The economic impact was quite incredible.

• (0010)

Let me just deal with the Treasury of Ontario and the Treasury of Canada. If Atikokan Forest Products was allowed to close the province of Ontario would lose $7.9 million in 1991. In the following years it would lose $9.1 million. That is a combination of a loss of income taxes and whatever corporate taxes there are and an increase in the outputs in terms of UI and social assistance.

The cost to the federal government would be $11.4 million in the first year and $5.6 million thereafter. These are very serious economic impacts on a very tiny community.

If we extend that across all of northwestern Ontario, with all of our sawmill communities, we can begin to get a sense of the impact on the Treasury, let alone the impact on the economy of the community the sawmill is located in or near and the regional economy. It is extensive.

The Government of Canada has no choice. It has to fight this latest attack by the Government of the United States. Quite frankly, I do not accept the argument that this decision was made by low-level functionaries who were not following the tune of their master. This is an election year in the United States. George Bush is being hammered by right wing Republicans and by the Democrats. People are looking for "Buy America" and "America First" and he is quite prepared to sacrifice his buddy, the Prime Minister of this country.

The importance of the debate tonight is to say to the Government of Canada that there are thousands and thousands of people out there who want this government to be on their side. This House has a responsibility to ensure that is the case. We in my caucus will continue to put the pressure on the Conservative government to make sure that it starts to speak for Canadians and fight for Canadians, rather than saying yes to George Bush and his buddies.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is with sadness that I stand in this House this evening. The softwood lumber industry in this country is in a sad mess because the Americans have imposed a 14.48 per cent tariff on our lumber. This will be devastating to the lumber industry and it appears that it violates this disastrous supposed free trade agreement.

We were all told that the deal would secure our markets with the United States. It is certainly obvious tonight that it has not secured anything and it has left this country, specifically the lumber industry and many other industries, in a sad situation.

It is very important to note that we probably had 90 per cent free access to the American market in the lumber industry before the free trade agreement was signed. It is very difficult to call this a free trade deal because in free trade everything moves back and forth freely.

It is quite obvious that this is not exactly how it is. It is only what the Americans choose to take from us. If they choose not to raise the size of the lobster and if they decide there is nothing wrong with the potato then they slap a tariff on the lumber.

When this government put a 15 per cent export tax on Canadian lumber we did so because the Americans said our stumpage fees were too low and this was a subsidy. Since that deal, provincial governments have increased their stumpage fees and the Americans turn around and impose a 14 per cent tariff.

If Canadians eliminate the problem, why are Americans doing this to us now? I say they are doing this because they can get away with it under this deal. The dispute settlement mechanism is so full of holes one could drive a car through it.

The dispute settlement mechanism can only say if the American law is correctly applied, not if the law was fair. As well, it says the Americans can change their laws, and that is just what the Americans did. The U.S. changed its laws about subsidies and used the charges against us. A deal like that is no good at all.

We are subject to American import laws, which as an exporting nation puts us in a sad situation. I well remember during the last election, during the numerous debates in my district of Cardigan, Prince Edward Island, we were talking about supply management and free trade. Things were going to be protected. Well today the dairy industry, the poultry industry and the egg industry are on the verge of financial difficulties.

I can assure you that it looks very obvious that the free trade agreement again is not going to be of any help, if not harmful. As I stated during the election campaign, free trade and supply management are two opposites.

Free trade, or what free trade should be, is the removal of tariffs and controls. But it is quite obvious tonight that it is not the removal of tariffs, only when the Americans decide to remove them, and to put them back in place when the Americans so desire.

Why I spoke so strongly for supply management was because I felt they were two opposites. Supply management meant that you could put protection in place to control the importation of certain products into the country. No, we were told, this was going to be protected. But, here again we could lose or jeopardize our dairy, egg and poultry industries.

It looks to me that supply management, along with softwood lumber and many other industries in this country, has come to a crashing halt because of this notorious trade deal this government got us into.

During the election we were told that with the trade deal the Americans would become our partners in international trade. This is simply not the case.

Look at GATT. Our problems there over supply management are caused by the Americans who want to destroy our system of supply management. It was the U.S. that challenged us on ice cream and yoghurt. It was the U.S. that challenged us on the B.C. salmon processing. Now it is the Americans who are imposing tariffs on our softwood lumber.

The province most affected by this government's spineless attitude in dealing with the United States over softwood lumber is British Columbia.

But the people in the softwood lumber industry in British Columbia have a powerful ally in Gordon Wilson, the leader of the Liberal Party and leader of the opposition. Gordon Wilson has stood firm in his opposition to these protectionist measures and he stands proudly with the primary producers in demanding this government take action.

The Prime Minister must stop being the lap-dog of the United States President and start defending the interests of those Canadians who work in this vital industry.

The Americans are only interested in protecting themselves. The U.S. is not going to look after Canadian interests. The sad thing is that this government is not looking after our interests either.

The government has signed a deal that is unlikely to provide a favourable decision in this lumber dispute and until this government is willing to defend Canadian interests, I am afraid we will suffer.

Before the trade deal was signed, trade seemed to be going reasonably well between Canada and the United States. Today we have great problems with the Honda issue, the furniture industry, the manufacturing industry, and for sure with supply management. And it looks like the lumber industry is in a disastrous situation.

So I ask the government to stand and defend the lumber industry in this country.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 20 minutes after midnight, this House stands adjourned until later today at 10 o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 00.20 a.m.